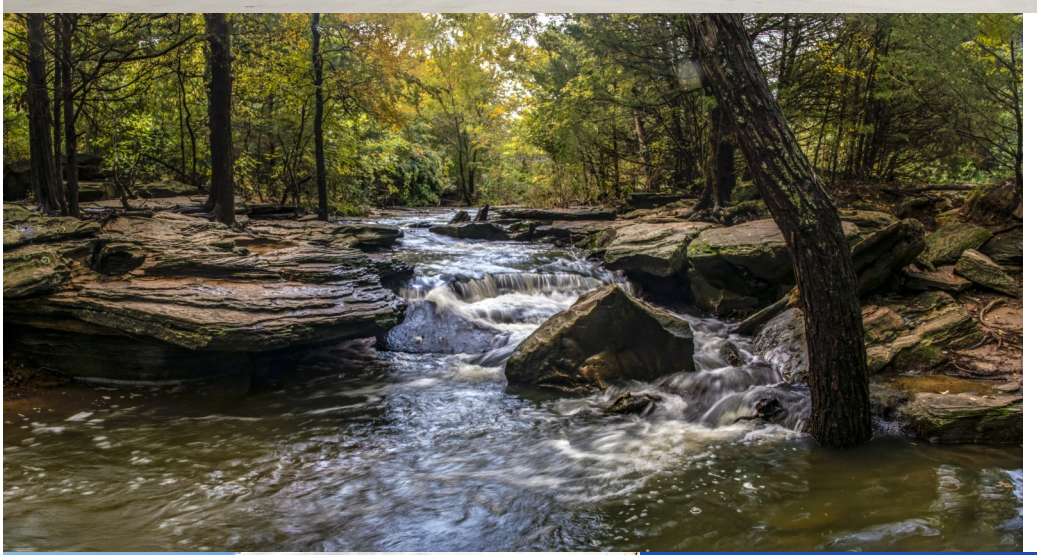
ANNUAL COMPREHENSIVE FINANCIAL REPORT



THE TOWN OF
FLOWER MOUND
TEXAS

For the Fiscal Year Ended
September 30, 2021

Town of Flower Mound, Texas

Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2021

Town Manager
James Childers

Executive Director of Fiscal & Administrative Services/CFO
Tammy Wilson

Prepared By:

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THE TOWN OF
FLOWER MOUND
TEXAS

TOWN OF FLOWER MOUND, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal 1
Organization Chart 11
Principal Officials 12
Certificate of Achievement 13

FINANCIAL SECTION

Independent Auditor's Report 15

Management's Discussion and Analysis 19

Basic Financial Statements:
- Government-wide Financial Statements:
  - Statement of Net Position 29
  - Statement of Activities 30
- Fund Financial Statements:
  - Governmental Fund Financial Statements:
    - Balance Sheet 32
    - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 33
    - Statement of Revenues, Expenditures and Changes in Fund Balances 34
    - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 35
  - Proprietary Fund Financial Statements:
    - Statement of Net Position 36
    - Reconciliation of the Enterprise Fund Statement of Net Position to the Government-wide Statement of Net Position 37
    - Statement of Revenues, Expenses and Changes in Fund Net Position 38
    - Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position of Enterprise Funds to the Statement of Activities 39
    - Statement of Cash Flows 40
  - Fiduciary Fund Financial Statements:
    - Statement of Fiduciary Net Position 41
    - Statement of Changes in Net Position 42
- Notes to the Basic Financial Statements 43

Required Supplementary Information
- Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund 79
- Notes to Required Supplementary Information 80
- TMRS Schedule of Changes in Net Pension Liability and Related Ratios 82
- TMRS Schedule of Contributions 83
- TMRS SDBF Schedule of Changes in Total OPEB Liability and Related Ratios 84
- Retiree Insurance Schedule of Changes in Total OPEB Liability and Related Ratios 85

FINANCIAL SECTION (Continued) .....Page

Combining and Individual Fund Statements and Schedules
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual - Debt Service Fund 87
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – General Capital Projects Fund 89

Combining Statements Non-Major Governmental Funds
Balance Sheet 90
Statement of Revenues, Expenditures, and Changes in Fund Balance 92

Schedules of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual - Nonmajor Governmental Funds:
Library Development Fund 94
TIRZ Fund 95
Park Development Fund 96
Tree Preservation Fund 97
PEG Fund 98
Street Maintenance-Sales Tax Fund 99
Parks 4B-Sales Tax Fund 100
Crime District-Sales Tax Fund 101
Fire District-Sales Tax Fund 102
Flower Mound Log Cabin Fund 103
Police Seizure Fund 104
IRS Equitable Sharing Fund 105
Chapter 59 Seizures Fund 106
Animal Care Fund 107
SAFER Grant Fund 108
CDBG-HUD Grant Fund 109
Grants Fund 110
Neighborhood Improvement Fund 111
COVID-19 Fund 112
Hotel Occupancy Tax Fund 113
Municipal Court Security Fund 114
Municipal Court Technology Fund 115
Municipal Court Jury Fund 116
Municipal Court Truancy Prevention Fund 117

Internal Service Funds
Combining Statement of Net Position 118
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 119
Combining Statement of Cash Flows 120

STATISTICAL SECTION (Unaudited).....Page

Net Position by Component 122
Changes in Net Position..... 124
Fund Balances of Governmental Funds..... 126
Changes in Fund Balance of Governmental Funds 128
Assessed Value and Estimated Actual Value of Taxable Property..... 130
Property Tax Rates – Direct and Overlapping Governments..... 131
Principal Property Taxpayers 133
Property Tax Levies and Collections..... 134
Ratios of Outstanding Debt by Type 136
Ratios of Net General Bonded Debt Outstanding 137
Direct and Overlapping Governmental Activities Debt 138
Legal Debt Margin Information..... 139
Pledged-Revenue Coverage..... 140
Demographic and Economic Statistics..... 141
Principal Employers 142
Full-time Equivalent Town Government Employees by Function..... 143
Operating Indicators by Function 144
Capital Asset Statistics by Function 146

COMPLIANCE

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 147

Independent Auditor's Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and the State of Texas Single Audit Circular 149

Schedule of Expenditures of Federal and State Awards..... 151

Notes to the Schedule of Expenditures of Federal and State Awards 153

Schedule of Findings and Questioned Costs 154

THE TOWN OF
FLOWER MOUND
TEXAS

March 18, 2022

To the Honorable Mayor, Members of the Town Council, and Citizens of the
Town of Flower Mound, Texas:

It is with great pleasure we present to you a copy of the Annual Comprehensive Financial Report (ACFR) of the Town of Flower Mound for the fiscal year ended September 30, 2021. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the end results of the operation of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed "of the books and accounts of each and every department of the Town." The Town has complied with this requirement, and the opinion of the auditing firm of Eide Bailly LLP, Certified Public Accountants, is included as part of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

General Information – The Town of Flower Mound, Texas

The Town of Flower Mound, incorporated in 1961, is located primarily in southern Denton County, approximately 28 miles northwest of downtown Dallas, 25 miles northeast of Fort Worth, 12 miles south of Denton and three miles north of Dallas-Fort Worth International Airport (DFW Airport). A small area located at the southern boundary falls in Tarrant County, as well. The Town's corporate boundary encompasses approximately 46 square miles and serves a population of 79,390. Flower Mound is a master-planned community with an emphasis on SMARTGrowth development, intended to preserve community character.

The majority of Flower Mound is served by the Lewisville Independent School District (LISD), with the Argyle, Denton, Grapevine-Colleyville, and Northwest Independent School Districts also providing educational services for smaller areas of the Town. LISD encompasses more than 127 square miles and serves more than 50,000 students in 13 North Texas communities. There are 21 LISD schools located in Flower Mound: 2 high schools, 2 9th grade campuses, 5 middle

schools, and 12 elementary schools. Most of these campuses are rated ‘Exemplary’ or ‘Recognized’ by the State of Texas.

The Town of Flower Mound Home Rule Charter was adopted November 3, 1981 by a vote of the citizens. The Town operates under a council-manager form of government and provides a full range of services, as authorized by its Charter, including: Police Services, Fire and Emergency Services, Development Services, Parks and Recreation Services, Library Services, Environmental Services, Administrative Services, Legislative Services, Financial Services, and Public Works.

The Town Charter requires that the Town Manager submit a proposed budget to the Town Council by August 1 each year, for the fiscal year beginning October 1. Prior to August 1, the Town Manager and Town department heads prepare expenditure estimates for the remainder of the current year and the upcoming fiscal year. These totals are compared to estimates of revenue for the same referenced period. Adjustments are made to expenditure estimates, as necessary, to ensure that the proposed budget balances total expected revenues. A new budget must be adopted by September 30 or the amounts appropriated for the current fiscal year will be adopted for the ensuing year on a month-to-month basis, until a final budget is formally adopted. Following the adoption of a budget, the Town Manager and Town department heads monitor expenditures and revenues throughout the fiscal year in an effort to ensure that the integrity of the budget will be maintained. Monthly revenue and expenditure reports are produced by the Town's automated budgetary accounting system and reflect monthly and year-to-date totals for each source of revenue and expenditure.

Local Economy

More than 1,350 businesses call Flower Mound home and provide a balanced mix of retailers, restaurants, office, and manufacturing/distribution facilities. Flower Mound’s unemployment rate as of December 2021 was 2.8 percent, compared to a 4.3 percent rate for Texas and 3.7 percent nationally for the same month. Economic conditions in Flower Mound have been greatly influenced by its proximity to two major airports: Dallas/Fort Worth International Airport located three miles south of the Town, and Alliance Airport located five miles to the southwest. DFW International Airport serves an average of 200,000 customers per day and is known as the economic engine of the North Central Texas region. The airport produces over $37 billion in economic impact across north Texas each year, with 228,000 full-time jobs.

Transportation

Flower Mound has two major arterials; FM 1171 (Cross Timbers Road) and FM 2499 (Long Prairie Road). FM 1171 runs east to west through Flower Mound, connecting to Interstate-35E and Interstate-35W. I-35 is a NAFTA-recognized highway, routing transportation and freight between Mexico and Canada through the U.S. The major north-south thoroughfare in the Town is FM 2499. Both roadways provide quick access to several major highways, providing excellent transportation access to the Dallas/Fort Worth Metroplex.

The Texas Department of Transportation (TxDOT) started work in 2018 on the next phase of the DFW Connector Project which includes direct connections between FM 2499 and I 635, SH 114 and SH 121; and a new I 635 interchange. The new I 635/SH 121 interchange is a part of the Texas Clear Lanes Initiative provide by Governor Abbot and the Texas Legislature to reduce gridlock in some of the state’s most congested area. The project reached substantial completion in August 2021, six months ahead of schedule.

Medical-Related Development

Flower Mound has benefitted from a healthy and steady medical and healthcare sector which offers many widely needed services to the Town and to Denton County. Texas Health Presbyterian Hospital Flower Mound opened in 2010 in the central, mixed-use development The River Walk at Central Park. In December of 2015, the hospital completed construction of a 19,000-sq. ft. expansion which included 4 new operating rooms and 28 prep and recovery beds. A 3,275 sq. ft. Women's Imaging Center expansion opened in November 2014, which provides some of the most technologically-advanced 3-D breast cancer screening options available in North Texas and is a major driver of women's healthcare technology within the State. In April of 2017, Healthgrades awarded the honor of Top Hospitals for Patient Experience to the facility. In 2019, additional surgical observation training rooms were constructed and an additional 150-space parking lot was also completed. Most recently, a 14,250 sq. ft. interior expansion to the observation unit occurred to increase Emergency Dept. waiting room size; additional renovations are being done to the kitchen and dining rooms, which will allow the award-winning employer to continue to provide outstanding care to the community.

In 2020, **ClearSky Rehabilitation Hospital of Flower Mound** opened an inpatient rehabilitation hospital in the 56,345 square-foot building located at 3100 Peters Colony Rd. Their opening created approximately 100 new, local healthcare-related jobs. The hospital provides post-acute rehabilitative care to individuals with disabling illnesses or injuries. Furthermore, the hospital is made up of 29 private inpatient beds, a specially equipped gym, and a heated, aquatic swimming pool. Specialized patient programs includes stroke, neurological, and orthopedic rehabilitation, in addition to long-term recovery following critical care and chronic illness management, such as Parkinson's disease and multiple sclerosis. In 2021, they earned The Joint Commission's Gold Seal of Approval for Accreditation, reflecting the hospital's commitment to safe, quality patient care. To earn the accreditation, the hospital underwent a rigorous, unannounced review by The Joint Commission, in addition to on-site observations and interviews.

Commercial Development

Great care was taken to develop the southeastern portion of Flower Mound into a thriving commercial business district, taking advantage of the 3-mile proximity to DFW International Airport and major infrastructure. The Town of Flower Mound invested $25 million in public improvements into the Lakeside Business District, including water and sewer extensions and new road construction. The District ended 2021 with an occupancy rate of approximately 89%, a rate consistent with quarters' past.

The Lakeside Business District has 10 business centers within its boundaries: Cornerstone, Corporate Ridge, Flower Mound Business Park, Lakeside Commerce Center, Lakeside DFW, Lakeside International, Lakeside Ranch Business Park, Lakeside Trade Center, Parkview Commerce Center, and Southgate at Flower Mound. Several notable developers, including Crow Holdings, Duke Realty, EastGroup Properties, Exeter Property Group, Hillwood, Huntington Industrial, and others have already invested in Flower Mound.

More than 100 businesses currently operate in the district, and the past year has seen some major developments and new additions worth note, including:

Caddo Office Reimagined opened on October 1, 2021. The two-story, 37,000 square-foot co-working facility made an approximate $9 million capital investment in the building and site improvements on the 2.5-acre tract located at 2201 Spinks Road.

The co-working facility offers more than 160 private office suites for individuals working independently or collaboratively, 4 conference rooms, unique shared co-working spaces and kitchen amenities. When fully occupied, about 240 people will be working there. The office concept is unique in that it provides the flexibility of a no-term lease with 60 days cancellation notice at any time.

Likewize, a leading global tech protection and support company, opened a new, state-of-the-art fulfillment center at 350 Lakeside Parkway in 2021. The 275,000 square-foot facility is the company's global supply chain center, and its operations directly support all U.S. based customers. They are anticipated to process 42 million devices annually. Additional products and services offered at the facility includes tech protection, tech repair in store or at home, and on-demand tech expertise and customer support.

The Eastgroup had significant activity on its **Lakeport Project, Phase I.** Lakeport will ultimately contain five flex-space office/warehouse buildings, totaling almost 370,000 square feet on 30-acres within the Lakeside Business District and at the visible southern entrance into Flower Mound at 2499 and the Gerault flyover. **Titans of CNC** has leased approximately half of building 1 within Lakeport, relocating from Rocklin, California. CEO Titan Gilroy cited several reasons for choosing Flower Mound, including proximity to the DFW Airport, quality of life, great schools, mix of country and residential setting, and the friendliness of the community. The company offers training for the aerospace industry, teaching students and professionals of all ages to design in

CAD, program in CAM, and CNC machine real parts. Titan's free academy is being used in over 170 countries. In building 2, new leases were signed with reverse logistics company **Phoenix Innovations**, water treatment products manufacturer **WaterTech**, and **Lifetime Windows & Siding**.

Lastly, **Rufflebutts** has leased the entirety of building 3. Rufflebutts is a boutique brand for kids that was seen on the Shark Tank TV show. This is their company's new headquarters.

Telecom industry firm **Communications Test Design Inc. (CTDI)** is expanding the operations side of their business and just leased 185,000 square-feet of space at 1001 Lakeside Parkway, the company's fourth location in the Lakeside Business District. The company provides engineering, repair and logistics for the communications industry.

CTDI has been a longtime corporate resident of Flower Mound, with many of their employees living in and around the Town. CTDI keeps choosing Flower Mound for the benefits of a well-maintained business park and central location. This allows the company to draw employees from a large area and easy access to DFW International Airport, as the company often brings in their various clients. The largest private employer in Flower Mound, CTDI has grown from 600 employees to over 1,200 through the years. The telecom industry firm grew by nearly 100 employees with the new location.

The **Lakeside International Office Center** saw much leasing activity in 2021. The development contains two office buildings on the site, a four story-120,000 sq., ft. building and two story-18,500 sq. ft. building. Both buildings are served by surface and structured parking. **IntelliCentrics,** an existing Flower Mound healthcare company that has the largest trusted healthcare technology platform, occupies the top floor of the larger building. The site contains a trail system that connects patrons to the nearby Shops at Lakeside. Additional corporate leases within the Lakeside International Office Center in 2021 include: OrangeGrid, Mitsubishi HC Capital, CD Construction Consulting, and Edward Jones. **OrangeGrid** relocated their headquarters from Southern California to the Lakeside International Office Center last year, and they are a financial technology provider of workflow-based solutions. **Mitsubishi HC Capital** is a multinational conglomerate specializing in structuring equipment financing and trade finance across a spectrum of industries. **CD Construction Consulting** is a lender consultant that represents national lenders across the United States.

The **Lakeside Crossing** development saw much leasing activity in 2021, with tenants such as Outlaw FitCamp by Jesse James, Honeybird Sandwiches and Donuts, The UPS Store, Texas Health Family Care, and Smoothie King.

In addition to the south end of Town, Flower Mound has designated approximately 1,500 acres in the west end of Town for mixed-use residential and commercial development. The Denton Creek District is located along I-35W, U.S. 377 and FM 1171. The Denton Creek District emphasizes high quality, regional commercial and industrial development, as well as mixed office, retail, and residential uses.

Progress also continues to be made on the Canyon Falls development to the far west side of Flower Mound. Canyon Falls is a 1,242-acre master-planned community within the Denton Creek District, located in Flower Mound, Northlake, and Argyle. Approximately 626 acres of the development are in Flower Mound. Tentative plans for the project include different village types based on the natural features prominent in that area. Commercial and retail space will be available toward the west and northwest part of the property near Interstate 35W.

Commercial Permit Activity

In 2021, 20 new commercial permits were issued, a decrease from the 27 permits issued in 2020. Notable commercial permits throughout the year included: Likewize, Hitachi Capital America, Walkway Management Group and Osprey Video, Texas Bank & Trust, and Solo Stove.

The River Walk at Central Park – Central Business District. The River Walk at Central Park is a 158-acre mixed-use development that integrates commercial, office, retail, restaurant, medical, and residential uses in a variety of building types. Easily accessible from any part of the DFW Metroplex, The River Walk at Central Park is anchored by Texas Health Presbyterian Hospital Flower Mound and located along the major north/south development corridor in Town.

The River Walk will offer walkable shopping, dining, art, entertainment, and more along a majestic flowing river. A restaurant row will feature unique and varied dining options, all with a shared patio right on the waterfront. In 2014, highly-requested restaurants La Madeline and Luna Grill were added to the nearby River Walk Market. Residential offerings in the development have continued completion over the past year and have experienced significant demand; pre-leasing quickly and receiving stellar reviews.

Amenities completed within The River Walk at Central Park include sidewalks and pedestrian bridges, lighted waterfalls, a 100-foot water wall, shade structures, public art, a stone and iron clock tower, pavilion, and more. The chapel and event center is open and operational as of January of 2021. **Primo's Tex-Mex Kitchen & Lounge** and **Sfereco** restaurants were the first

two restaurants to open at the end of 2021 within Restaurant Row.

The Town's first hotel, a **Courtyard by Marriott**, has now been operational for over four years and has become a community staple. Located at the north end of the River Walk development, the five-story, 146 room, upscale hotel features more than 6,000-sq. ft. in meeting and conference space, an upscale restaurant and bar, outdoor fire pits, balconies overlooking the river and amphitheater, and many high-end finishes to ensure a luxurious experience for guests. A public parking structure sits alongside the hotel, offering guests and visitors immediate access to the River Walk's future amenities.

A second hotel, **Home2Suites** purchased land within the River Walk development.The almost 70,000 sq. ft. hotel will include 100 rooms, a small dining area, exercise room, pool, small meeting area, and a small retail space from which a separate retailer may operate. They are expected to open later in 2022.

Lakeside DFW. Success of the $1 billion, 150-acre, mixed-use development continues, while construction of the development draws to a close. This past year brought continued activity in the thriving mixed-use development, with the opening of Egg Farm Café, Lakeside Urban Grocery, Sugaring NYC, and 1845 Taste Texas. The almost 30 retailers and restaurants now operating at **The Shops at Lakeside** (in Lakeside DFW) offer a wide variety of dining, entertainment, and shopping options, creating a modern and vibrant area. **Clink Wine Bar + Bites** opened up in early 2021, becoming the newest neighborhood wine bar with a wide array of food options served tapas-style.

The opening of **Lakeside Tower** and a full-service spa, SpaVela, in 2020 has since brought much activity to Lakeside DFW. The 16-story condominium tower includes 48 residences, four villas at ground level, and two bungalows that sit on the pool and amenity terrace. Each of the residence's ranges in size from 1,400 square feet to over 6,200 square feet. Private elevators provide residents with direct elevator access into their home. Building amenities include a wine room, yoga room, club room, private dining room, private cinema, a full-service spa, guest suites, gym, steam rooms, golf simulator, and a pool terrace. Residents of the Lakeside Tower also have access to 24-hour concierge, valet, and private parking garages enclosed within the main parking garage. Prices for the remaining residences range from $700,000 to $4 million.

The completion of Lakeside DFW will pave the way for developer, Realty Capital, to embark upon another endeavor, Lakeside Village. The developer broke ground on the project in 2020, commencing construction of the extensive infrastructure needed to support to the project. **Lakeside Village** is located immediately south of the existing Lakeside DFW. The approximately 33-acre mixed use development on the north shore of Grapevine Lake, will bring new residences

of every kind, office, hotel, retail, and restaurant uses, as well as an amphitheater, community greens and trails. This environment will be unique to the Metroplex, attracting patrons from well beyond our borders. For example, the proposed six restaurant sites will be located on elevated terrain on the southernmost tip of the property, offering breathtaking views of Grapevine Lake. Lakeside Village will offer so many amenities to its residents and visitors, but with an estimated build out value of over $1 billion, the economic impact is far reaching.

Retail Development

In 2021, the Town of Flower Mound welcomed nearly 100 new businesses to the community, creating approximately 1,550 new jobs. With moderate population growth, an average household income of $173,200, and several residential developments under construction or planned for the future, Flower Mound is an ideal location for business. Almost 400 retailers and restaurants already call Flower Mound home

Tax Increment Reinvestment Zone (TIRZ #1)

TIRZ #1 encompasses approximately 1,465 acres located along FM 2499, one-half mile south of FM 1171 and north to FM 407. The estimated revenue of the zone over its 20-year life is conservatively $62,600,000, representing an anticipated $43,383,000 from the Town and $19,217,000 from Denton County. The TIRZ #1 2021 Annual Report identified an ending balance of $17,628,772.

Employee Compensation

The salary pay ranges in the Town's pay plans shall be reviewed annually with the objective to maintain all pay ranges at the 65th percentile of the market. The Town Council approved a three percent increase for all Town employees meeting performance standards in the FY 2021-22 budget.

Long-term Financial Planning

As part of the budgeting process, the Town develops a multi-year financial forecast. Over the past few years, the Town has seen steady residential and commercial growth which has allowed for balanced budgets that meet the needs of citizens, while maintaining a high level of reserves, as well. In November 2007, voters approved four, one-fourth-of-one-percent, dedicated sales tax votes for: park and recreation improvements, street maintenance, a Crime Control and Prevention District (CCPD), and a Fire Control, Prevention, and Emergency Medical Services District. The resulting increased sales tax rate went into effect on April 1, 2008. These dedicated sales tax funds have provided the Town with the needed resources to create two new police beats, build and staff two new fire stations, exceptionally maintain the Town's streets, and to improve and expand the Town's park system. The Town Charter requires a General Fund unreserved fund balance of at least 10%. In addition, the Financial Policies of the Town, adopted on September

21, 2020, require a balance of at least 20%. Between Fiscal Year 2016-2017 and Fiscal Year 2020-2021, the balance has ranged from a low of 29.07%, to a high of 41.03%. The General Fund reserve level at the 2021-2022 Fiscal Year-End is projected to be 38.14%.

Tax Rates

All taxable property within the Town is subject to the assessment, levy and collection of a continuing, direct ad valorem tax sufficient to fund operation and maintenance costs in the Town's General Fund as approved by the Town Council and provide payment of principal and interest on outstanding general obligation bonds.

The allocation of property tax levy by purpose (maintenance and operation vs. debt service) for Fiscal Year 2020-2021 and the preceding three years is reflected in the following table (amounts per $100 of assessed value):

Purpose	2020-2021	2019-2020	2018-2019	2017-2018
Maintenance & Operation	$.3478	$.3540	$.3465	$.3397
Debt Service	.0887	.0825	.0925	.0993
Total Tax Rate	$.4365	$.4365	$.4390	$.4390

Tax Appraisal/Collection Responsibilities

Under Texas law enacted in 1979, and subsequent revisions to the Texas Property Tax Code, the appraised value of taxable property in Flower Mound is established by the Denton Central Appraisal District and the Tarrant Appraisal District. The Town of Flower Mound, and other taxing jurisdictions, provides a pro-rata share of the budgeted expenditures incurred by the Denton Central Appraisal District and the Tarrant Appraisal District each year. In Fiscal Year 2020-2021, the Town's payment for appraisal services was $311,778 to Denton Central Appraisal District, and $6,707 to Tarrant Appraisal District. The Town contracted with the Denton County Tax Office for the collection of ad valorem taxes for the year beginning October 1, 2020 and ending September 30, 2021. The Town paid $32,690 for these services.

Independent Audit

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed of “the books and accounts of each and every department of the Town”. The Town has complied with this requirement, and the independent auditor’s report has been included in this report.

Budgetary Control

Budgetary control is established and maintained after adoption of the budget by the preparation of monthly revenue and expenditure statements, which provide monthly and year-to-date amounts and percentages of budgeted appropriations expended by fund, department and division.

Budget transfers can be processed between line items in a division and between divisions in a department in the same fund. A transfer cannot change the total budget for a department. Amendments can be made to transfer funds which can change the total budget. Section 9.14 of the Town Charter provides Town Council the authority to amend the budget and reads:

During the fiscal year, the Town Council shall have the power to transfer funds allocated by the budget from one department to another department, and to re-estimate revenues and expenditures. If the Town Council determines it is in the best interest of the Town to apply for and accept a private, county, state or federal grant of funds for a particular purpose, the Council's action in accepting the award of said grant and any corresponding expenditures shall constitute a budget appropriation in the amount of said grant funds.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Flower Mound, Texas for its annual comprehensive financial report for fiscal year ended September 30, 2020. The Town of Flower Mound, Texas has received a Certificate of Achievement for the last thirty-four consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

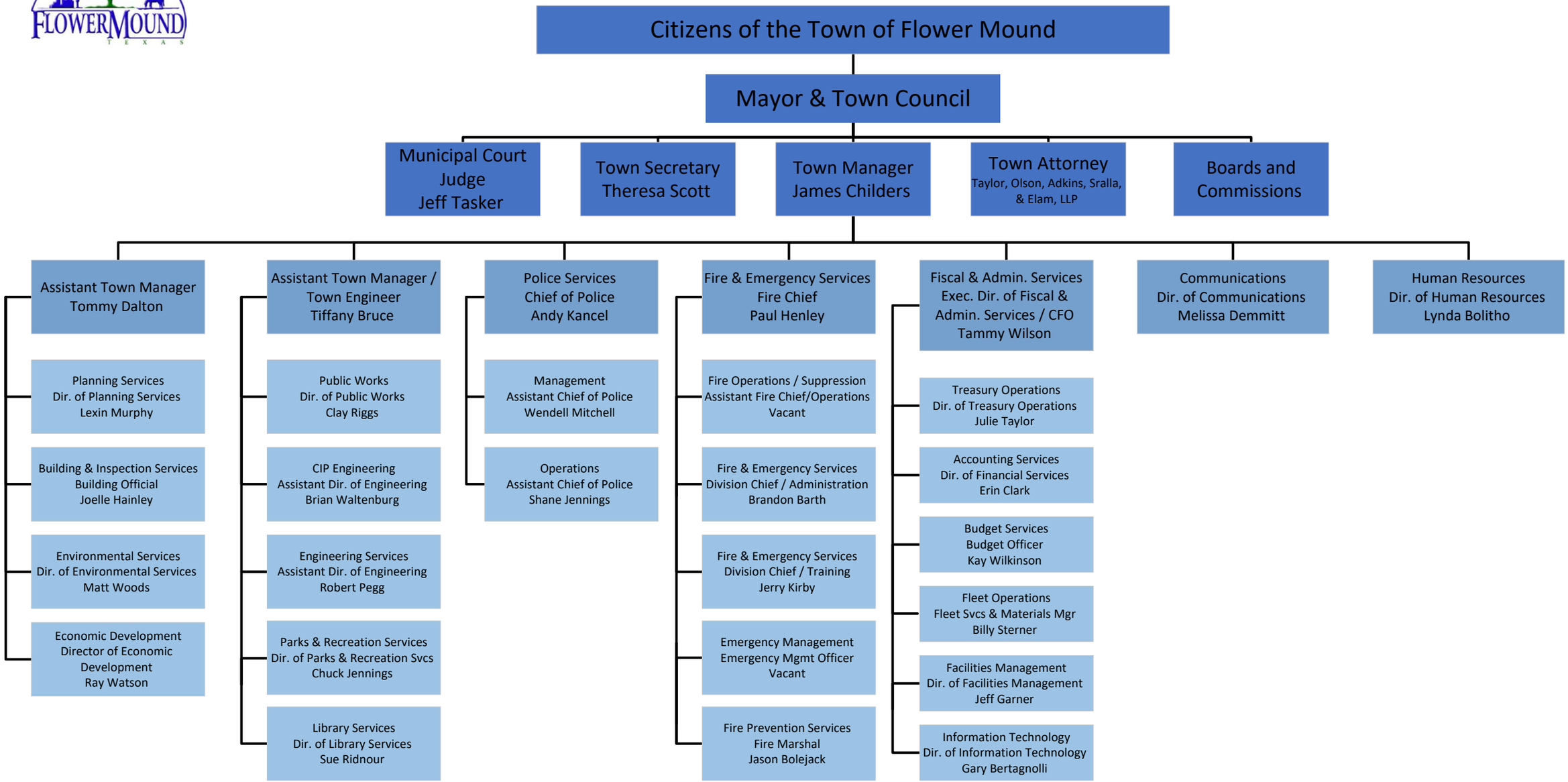
The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Department. The administrative and finance staff also wish to commend and thank the Mayor and Town Council for their leadership and support in our combined efforts to provide a comprehensive program of municipal operations and services while remaining within a framework of sound financial planning, responsible fiscal control and progressive financial reporting.

Respectfully submitted,

Tammy Wilson

Tammy Wilson
Executive Director of Fiscal & Administrative Services/CFO

Town of Flower Mound Organizational Chart


Citizens of the Town of Flower Mound
Mayor & Town Council
Municipal Court Judge Jeff Tasker
Town Secretary Theresa Scott
Town Manager James Childers
Town Attorney Taylor, Olson, Adkins, Sralla, & Elam, LLP
Boards and Commissions
Assistant Town Manager Tommy Dalton
Planning Services Dir. of Planning Services Lexin Murphy
Building & Inspection Services Building Official Joelle Hainley
Environmental Services Dir. of Environmental Services Matt Woods
Economic Development Director of Economic Development Ray Watson
Assistant Town Manager / Town Engineer Tiffany Bruce
Public Works Dir. of Public Works Clay Riggs
CIP Engineering Assistant Dir. of Engineering Brian Waltenburg
Engineering Services Assistant Dir. of Engineering Robert Pegg
Parks & Recreation Services Dir. of Parks & Recreation Svcs Chuck Jennings
Library Services Dir. of Library Services Sue Ridnour
Police Services Chief of Police Andy Kancel
Management Assistant Chief of Police Wendell Mitchell
Operations Assistant Chief of Police Shane Jennings
Fire & Emergency Services Fire Chief Paul Henley
Fire Operations / Suppression Assistant Fire Chief/Operations Vacant
Fire & Emergency Services Division Chief / Administration Brandon Barth
Fire & Emergency Services Division Chief / Training Jerry Kirby
Emergency Management Emergency Mgmt Officer Vacant
Fire Prevention Services Fire Marshal Jason Bolejack
Fiscal & Admin. Services Exec. Dir. of Fiscal & Admin. Services / CFO Tammy Wilson
Treasury Operations Dir. of Treasury Operations Julie Taylor
Accounting Services Dir. of Financial Services Erin Clark
Budget Services Budget Officer Kay Wilkinson
Fleet Operations Fleet Svcs & Materials Mgr Billy Sterner
Facilities Management Dir. of Facilities Management Jeff Garner
Information Technology Dir. of Information Technology Gary Bertagnolli
Communications Dir. of Communications Melissa Demmitt
Human Resources Dir. of Human Resources Lynda Bolitho

Communications: Customer Relations
Parks and Recreation Services: Community Activity Center, Senior Center
Police Services: Animal Services, School Crossing, Criminal Investigations, Patrol, 911 Communications Center and Support Services

Town of Flower Mound
PRINCIPAL OFFICIALS
September 30, 2021

TOWN OFFICIAL	ELECTIVE POSITION	TERM EXPIRES
Derek France	Mayor	2024
Adam Schiestel	Council Member, Place 1	2022
Sandeep Sharma	Deputy Mayor Pro Tem Council Member, Place 2	2023
Ben Bumgarner	Mayor Pro Tem Council Member, Place 3	2022
Jim Engel	Council Member, Place 4	2024
Ann Martin	Council Member, Place 5	2023

ADMINISTRATIVE STAFF	ADDRESS	APPOINTIVE POSITION
James Childers	2121 Cross Timbers Road	Town Manager
Tommy Dalton	2121 Cross Timbers Road	Assistant Town Manager
Tiffany Bruce	2121 Cross Timbers Road	Assistant Town Manager/Town Engineer
Tammy Wilson	2121 Cross Timbers Road	Executive Director of Financial Services/CFO
Theresa Scott	2121 Cross Timbers Road	Town Secretary
Andy Kancel	2121 Cross Timbers Road	Chief of Police
Paul Henley	2121 Cross Timbers Road	Fire Chief

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Flower Mound Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

THE TOWN OF
FLOWER MOUND
TEXAS

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Mayor and
Members of Town Council
Town of Flower Mound, Texas

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas (the Town) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As discussed in Notes 1 and 14 to the financial statements, the Town has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities,* which has resulted in a restatement of the net position of the custodial fund as of October 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular*, and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Ede Bailly LLP

Abilene, Texas
March 18, 2022

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Management's Discussion and Analysis
September 30, 2021

The management of the Town of Flower Mound offers readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Flower Mound exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $576,537,568. Of this amount, $50,090,522 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by $30,045,496. The majority of this increase is attributable to development in both governmental funds and business-type activities.
- As of September 30, 2021, the Town of Flower Mound's governmental funds reported combined ending fund balances of $101,918,113, an increase of $11,544,523 in comparison with the prior year. 26.19% of this total amount, $26,694,568, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $26,694,568, or 39.86% of total general fund expenditures.
- The Town of Flower Mound's bonded debt decreased by $7,000,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $15,945,000, refunding of $2,050,000 and the issuance of $9,090,000 in certificates of obligation and $1,905,000 in general obligation refunding bonds.

Overview of the Financial Statements

The management discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, other non-financial factors should also be considered.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in governmental funds.

In the Statement of Net Position and the Statement of Activities, the Town is divided between two kinds of activities:

- **Governmental activities**. Most of the Town's basic services are reported here, including the police, fire, library services, community development, public services, information services, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

- **Business-type activities**. The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water, sewer and drainage utilities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or bond covenants. However, the Town Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the Town of Flower Mound can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. The majority of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a detailed reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Flower Mound maintains twenty-seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other twenty–four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The Town charges customers for the services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise fund (a component of proprietary funds) is identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the Town's other programs and activities, such as the Town's self-insurance fund and vehicle, equipment and technology replacement fund. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The Town of Flower Mound maintains an enterprise fund to account for water, sewer and drainage services provided to the Town's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's only fiduciary fund is the public improvement district debt service custodial fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund revenue and expenditures budget and actual information, as well as, the funding progress and contributions of TMRS and the Town's other post-retirement benefits (OPEB).

Government-wide Financial Analysis

The Town's combined net position is $576,537,568 as of September 30, 2021. Analyzing the net position and net expenses of governmental and business-type activities separately, business-type activities' net position is $188,693,590. This analysis focuses on the net position and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's net position:

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 132,123,795	$ 120,482,447	$ 68,519,080	$ 69,987,420	$ 200,642,875	$ 190,469,867
Capital assets	358,430,175	355,030,765	228,905,237	220,630,923	587,335,412	575,661,688
Total assets	490,553,970	475,513,212	297,424,317	290,618,343	787,978,287	766,131,555
Deferred outflows of resources	6,398,591	6,726,169	1,142,310	1,195,822	7,540,901	7,921,991
Long-term liabilities outstanding	92,082,018	100,567,366	103,916,980	101,583,535	195,998,998	202,150,901
Other liabilities	13,410,138	14,133,796	5,381,964	6,277,451	18,792,102	20,411,247
Total liabilities	105,492,156	114,701,162	109,298,944	107,860,986	214,791,100	222,562,148
Deferred Inflows of resources	3,616,427	4,292,148	574,093	707,178	4,190,520	4,999,326
Net investment in capital assets	295,048,373	284,502,370	150,778,480	146,438,852	445,826,853	430,941,222
Restricted	53,616,906	45,967,635	27,003,287	24,814,356	80,620,193	70,781,991
Unrestricted	39,178,699	32,776,066	10,911,823	11,992,793	50,090,522	44,768,859
Total net position	$ 387,843,978	$ 363,246,071	$ 188,693,590	$ 183,246,001	$ 576,537,568	$ 546,492,072

Governmental activities. The following table provides a summary of the Town's operations for the year ended September 30, 2021. Governmental activities increased the Town's net position by $24,597,907, accounting for 81.87% of the total increase in net position. The majority of governmental activities increase in net position is due to development activity in the Town and controlling expenses.

Business-type activities. Business-type activities increased the Town's net position by $5,447,589, accounting for 18.13% of the total increase in net position. Business-type activities net position increased due to a utility rate increase and development activity in the Town.

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	$ 10,731,281	$ 8,886,067	$ 48,509,922	$ 46,600,326	$ 59,241,203	$ 55,486,393
Operating grants and contributions	2,313,000	2,239,746	-	-	2,313,000	2,239,746
Capital grants and contributions	12,039,573	8,183,369	7,029,200	7,382,266	19,068,773	15,565,635
General revenues:						
Property taxes	56,852,372	54,639,637	-	-	56,852,372	54,639,637
Sales taxes	28,861,624	25,360,411	-	-	28,861,624	25,360,411
Occupancy taxes	302,908	251,204	-	-	302,908	251,204
Other taxes	5,843,467	5,905,293	-	-	5,843,467	5,905,293
Unrestricted investment earnings	114,893	1,417,681	37,797	643,619	152,690	2,061,300
Miscellaneous	1,011,374	787,908	393,688	380,136	1,405,062	1,168,044
Total revenues	118,070,492	107,671,316	55,970,607	55,006,347	174,041,099	162,677,663
Expenses:						
Town manager's office	4,298,875	3,454,566	-	-	4,298,875	3,454,566
Legislative services	535,517	506,395	-	-	535,517	506,395
Development services	2,218,168	2,187,528	-	-	2,218,168	2,187,528
Parks and recreation services	15,329,914	7,053,088	-	-	15,329,914	7,053,088
Library services	1,997,725	1,943,000	-	-	1,997,725	1,943,000
Police services	19,575,430	17,946,700	-	-	19,575,430	17,946,700
Financial services	3,181,737	4,392,826	-	-	3,181,737	4,392,826
Administrative services	6,278,393	6,508,843	-	-	6,278,393	6,508,843
Fire and emergency services	23,087,386	20,719,163	-	-	23,087,386	20,719,163
Communications	749,660	784,176	-	-	749,660	784,176
Public works	15,315,949	24,568,733	-	-	15,315,949	24,568,733
Environmental services	1,491,166	1,509,345	-	-	1,491,166	1,509,345
Interest on long-term debt	2,015,265	2,332,467	-	-	2,015,265	2,332,467
Utilities	-	-	47,920,418	45,970,592	47,920,418	45,970,592
Total expenses	96,075,185	93,906,830	47,920,418	45,970,592	143,995,603	139,877,422
Increase (decrease) in net position before transfers	21,995,307	13,764,486	8,050,189	9,035,755	30,045,496	22,800,241
Transfers	2,602,600	1,888,815	(2,602,600)	(1,888,815)	-	-
Increase (decrease) in net position	24,597,907	15,653,301	5,447,589	7,146,940	30,045,496	22,800,241
Net position - 10/01	363,246,071	347,592,770	183,246,001	176,099,061	546,492,072	523,691,831
Net position - 09/30	$ 387,843,978	$ 363,246,071	$ 188,693,590	$ 183,246,001	$ 576,537,568	$ 546,492,072

Financial Analysis of the Government's Funds

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $101,918,113, an increase of $11,544,523 in comparison with the prior year. Approximately $26,694,568 or 26.19% of the total amount constitutes unassigned fund balance, which is available for spending at the Town's discretion. Committed fund balance totals $15,593,298 or 15.30%, meaning that the Town by formal action has determined what this amount will be spent on.

Fund balance of $58,859,863 or 57.75% is restricted to indicate that it is not available for new spending. The Town also has prepaid items of $57,608 or 0.06% and inventory of $712,776 or 0.70% which are classified as non-spendable fund balance.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled $26,694,568, while total fund balance was $27,857,003. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39.86% of total general fund expenditures, while total fund balance represents 41.59% of that same amount.

The fund balance of the Town's general fund increased by $5,092,348 during the current fiscal year.

Key factors are as follows:

- Property tax revenue increase from the previous year of $785,081.
- Sales tax revenue increase from the previous year of $1,756,525.
- Expenditures also decreased due to less one-time transfers for capital projects.

Property tax revenue is higher due to increased assessed values and development activity. Sales tax revenue is significantly higher than the previous year due to recovery from the impact of the pandemic for restaurants and retail establishments.

The debt service fund has a total fund balance of $2,330,420, an increase of $718,051.

The fund balance of the Town's capital projects fund increased by $162,541 during the current fiscal year due to capital project activity.

Other governmental funds have a total fund balance of $47,452,886, an increase of $5,571,583. The Park Development Fund decreased due to development activity. The TIRZ Fund, Street Maintenance Fund and the Parks 4B Fund increased due to less capital project activity and increase tax collections. The Tree Preservation fund decreased due to expenditure increases associated with a tree farm.

Proprietary funds. The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net position in the Enterprise Fund totaled $188,425,460 at the end of the fiscal year 2021, an increase of $5,565,206 or 3.04%. Included in net position is $150,778,480 net investment in capital assets and $27,003,287 restricted for capital projects. The remaining net position balance of $10,643,693 consists of unrestricted net position. In the current fiscal year, total operating revenues are $48,903,610 while operating expenses are $44,310,567. Revenue increased over the prior year due to increased rates. Expenses increased due to the purchase of wholesale water and capital project activity.

General Fund Budgetary Highlights

During fiscal year 2020-2021, the Town Council of the Town of Flower Mound amended the budget for the General Fund four times. The original expenditure budget was amended to increase the budget by $3,188,309.

The budget was increased by $626,512 for mid-year compensation increases distributed across all departments. Additionally, the Financial Services budget was increased by $151,160 for the Home Improvement Incentive Program. The Town Secretary's Office budget was increased by $22,080 to cover the cost of a Mayoral runoff election. The Facilities budget was increased by $320,027 for underground fuel storage tanks at two Fire Stations, Police and Jury room renovations, replacing HVAC units at the Animal Adoption Center and replacing the roof at the Central Fire Station. The Fire Department budget increased by $75,640 due to the equipment needed for the AMBUS and for a vehicle for a new position. Town Manager's Office budget increased by $800,000 to account for Council Committed funds. Town Manager's Office budget also increased by $850,000 due to a lawsuit settlement. The Public Works budget was increased by $7,725 for increased street light electricity costs. Development Services budget increased by $17,500 for a new public notice signs requirement. Library Services budget increased by $15,940 due to a subscription for a library software suite. The remaining $301,725 was an increase to re-appropriate the balances of outstanding purchase orders for items or services ordered but not received by September 30, 2020.

The revenue budget was increased with amendments by $30,000 for a new public notice signs requirement.

Staff reviewed each supplemental appropriation throughout the year and determined that reserves were sufficient to recommend their increase.

The original budget reflected the Town would increase fund balance by $3,306,059. The fund balance for the general fund increased in the amount of $5,092,348 during the fiscal year.

For fiscal year 2020-2021, actual expenditures on a budgetary basis were $67,761,127 compared to the original budget of $68,507,391. This was a positive $746,264 variance. Actual revenue on a budgetary basis was $69,891,916 compared to the original budget of $69,262,490. This was a positive variance of $629,426. This is primarily due to a decrease in charges for services and interest earnings caused by the pandemic.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounted to $587,335,412 (net of accumulated depreciation). This investment in capital assets includes land, building, park facilities, roads, bridges and water and sewer lines.

Major capital asset events during the current fiscal year included the following:

Description	Amount
Wastewater Treatment Plant Rehab Phase 5	$ 5,352,639
Library Expansion	1,196,985
High Road Water Replacement Phase III	1,151,890
Lift Station Improvements and Decommissioning Ph II	868,386
Garden Ridge Water Line Ph II	778,649
Stonehill 10MG Ground Storage Tank Rehabilitation	587,381
Stonehill Pump Station Discharge Valve Replacement	501,829
Morriss Road Water Line Phase II	391,175
Fire Station # 7 & Apparatus	389,517
Red Bud Point Water Service Relocation	329,625
Morriss Road 20 inch Water Line	304,533
Peters Colony - Quail Run Roundabout	298,619
Timber Creek Water Line Ph I	290,229
FM 2499 @ Chaparral	279,163
Timber Creek Trunk Line	257,306
Morriss/Gerault Improvements Ph II	252,807
Infiltration/Inflow Eval & Repair	244,232
Oak Street Ph IV Lift Station & Force Main	230,300
Forest Vista Reconstruction Ph II	207,868
ADA Transition Plan & Implementation	204,989
Bruton Orand Elevated Storage Tank Chloramine Syst	191,349
Heritage Park (Hound Mound) Parking	167,922
Stonecrest Pump Station Ph I	162,652
Waketon @ FM 2499	155,589
Traffic Detection Rehabilitation	152,810
Morriss Road Water Line Phase III	145,259
Upper Timber Creek Interceptor Phase 4	124,200
Wastewater Treatment Plant Ultraviolet System Update	116,739
Street Light Improvements	111,309
Colonial Drive Reconstruction Ph II (Whitney to Homestead	106,350
FM 2499 @ FM 3040 Intersection	104,690
	$ 15,656,991

Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	$ 35,782,959	$ 35,782,959	$ 4,419,755	$ 4,419,755	$ 40,202,714	$ 40,202,714
Construction in progress	48,672,529	53,291,474	26,735,581	24,967,543	75,408,110	78,259,017
Buildings	69,428,440	69,246,034	30,959,250	31,991,363	100,387,690	101,237,397
Distribution system	-	-	165,396,930	157,483,158	165,396,930	157,483,158
Equipment	12,116,167	12,663,499	1,393,721	1,769,104	13,509,888	14,432,603
Improvements	30,105,334	30,810,561	-	-	30,105,334	30,810,561
Streets and bridges	162,324,746	153,236,238	-	-	162,324,746	153,236,238
Totals	$ 358,430,175	$ 355,030,765	$ 228,905,237	$ 220,630,923	$ 587,335,412	$ 575,661,688

Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonds outstanding of $154,130,000 in tax supported debt.

Outstanding Debt, at Year-end

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds	$ 17,430,000	$ 22,215,000	$ 10,925,000	$ 12,925,000	$ 28,355,000	$ 35,140,000
Certificates of obligation	45,385,000	49,160,000	80,390,000	76,830,000	125,775,000	125,990,000
Totals	$ 62,815,000	$ 71,375,000	$ 91,315,000	$ 89,755,000	$ 154,130,000	$ 161,130,000

The Town of Flower Mound's bonded debt decreased by $7,000,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $15,945,000, refunding of $2,050,000 and the issuance of $9,090,000 in certificates of obligation and $1,905,000 in general obligation refunding bonds.

- On June 22, 2021, the Town issued $9,090,000 in Certificates of Obligation Series, 2021, which will pay for the contractual obligations incurred for constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

- The Town Council authorized an ordinance on June 22, 2021 to issue $1,905,000 in General Obligation Refunding Bonds Series, 2021, to defease or refund a portion of the Town's outstanding debt in order to reduce the overall debt service requirements of the Town and to pay the costs of issuance. This series refunds Certificates of Obligation Series 2011, for $2,050,000 for years maturing 2022 through 2031.

Standard and Poor's affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA". Fitch Ratings affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA".

The Town is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the

payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is .52%.

Additional information on the Town's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

Fiscal year 2021-2022 budget reduced the property tax rate. The rate is $.4050 per $100 valuation.

The Town increased the base operating budget for fiscal year 2021-2022 primarily by including non-discretionary and decision packages during the budget process. Non-discretionary packages included a variety of one-time replacement and maintenance costs. Decision packages included implementing the new programs at the newly renovated Library including 19.75 additional FTE positions, as well as, various improvements and renovations in facilities and infrastructure.

The Town Charter requires that 10.00% of the general fund budget be placed in reserves. The new budget includes an estimated 38.14% unassigned general fund balance.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Flower Mound, Financial Services, 2121 Cross Timbers Road, Flower Mound, TX, 75028.

Town of Flower Mound, Texas
Statement of Net Position
September 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 75,221,992	$ 6,174,694	$ 81,396,686
Investments	46,645,078	3,398,939	50,044,017
Receivables (net of allowances for estimated uncollectibles):			
Ad valorem taxes	588,969	-	588,969
Other taxes	5,294,970	-	5,294,970
Unbilled services	-	2,504,973	2,504,973
Accounts	1,443,807	4,514,885	5,958,692
Accrued interest	192,452	-	192,452
Intergovernmental	436,111	-	436,111
Internal balances	(268,130)	268,130	-
Franchise fees	1,798,162	-	1,798,162
Prepaids	57,608	32,099	89,707
Inventory	712,776	572,918	1,285,694
Restricted:			
Cash and cash equivalents	-	30,673,096	30,673,096
Investments	-	20,379,346	20,379,346
Capital assets			
Land	35,782,959	4,419,755	40,202,714
Buildings	94,215,651	53,765,322	147,980,973
Distribution system	-	257,742,519	257,742,519
Equipment	27,461,227	3,811,621	31,272,848
Construction in progress	48,672,529	26,735,581	75,408,110
Improvements	47,297,488	-	47,297,488
Streets and bridges	445,550,218	-	445,550,218
Accumulated depreciation	(340,549,897)	(117,569,561)	(458,119,458)
Total Assets	490,553,970	297,424,317	787,978,287
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on refundings	582,918	302,181	885,099
Deferred outflows related to pensions	5,097,808	716,999	5,814,807
Deferred outflows related to OPEB	717,865	123,130	840,995
Total deferred outflow of resources	6,398,591	1,142,310	7,540,901
LIABILITIES			
Accounts payable	6,080,342	3,685,851	9,766,193
Estimated health claims	1,354,884	-	1,354,884
Salaries payable	1,863,853	230,223	2,094,076
Retainage payable	651,064	600,044	1,251,108
Arbitrage payable	38,313	-	38,313
Unearned revenue	3,208,064	-	3,208,064
Meter deposits	-	546,205	546,205
Payables from restricted assets:			
Accrued bond interest	-	319,641	319,641
Accrued bond interest	213,618	-	213,618
Long-term liabilities:			
Due within one year	10,100,146	6,364,769	16,464,915
Due within more than one year	81,981,872	97,552,211	179,534,083
Total Liabilities	105,492,156	109,298,944	214,791,100
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to pensions	3,472,816	548,708	4,021,524
Deferred inflows related to OPEB	143,611	25,385	168,996
Total deferred inflow of resources	3,616,427	574,093	4,190,520
NET POSITION			
Net investment in capital assets	295,048,373	150,778,480	445,826,853
Restricted for:			
Community services	790,764	-	790,764
Community development	17,628,772	-	17,628,772
Public safety-police	2,646,808	-	2,646,808
Public safety-fire	759,802	-	759,802
Streets	22,088,601	-	22,088,601
Parks	7,437,476	-	7,437,476
Debt service	2,264,683	-	2,264,683
Capital projects	-	27,003,287	27,003,287
Unrestricted	39,178,699	10,911,823	50,090,522
Total Net Position	$ 387,843,978	$ 188,693,590	$ 576,537,568

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
Town manager's office	$ 4,298,875	$ -	$ -
Legislative services	535,517	26,457	-
Development services	2,218,168	2,562,484	-
Parks & recreation services	15,329,914	4,115,136	2,175
Library services	1,997,725	64,655	4,600
Police services	19,575,430	1,058,012	32,988
Financial services	3,181,737	1,037,078	-
Administrative services	6,278,393	-	-
Fire and emergency services	23,087,386	1,529,381	2,157,541
Communications	749,660	-	-
Public works	15,315,949	97,545	-
Environmental services	1,491,166	240,533	115,696
Interest on long-term debt	2,015,265	-	-
Total governmental activities	96,075,185	10,731,281	2,313,000
Business-type activities:			
Utilities-Stormwater	1,670,137	1,740,806	-
Utilities- Water and Wastewater	46,250,281	46,769,116	-
Total business-type activities	47,920,418	48,509,922	-
Total primary government	$ 143,995,603	$ 59,241,203	$ 2,313,000

General Revenues:
Property taxes
Sales taxes
Occupancy taxes
Franchise taxes
Alcoholic beverage taxes
Unrestricted investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

The notes to the financial statements are an integral part of this statement

Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
$ -	$ (4,298,875)	$ -	$ (4,298,875)
-	(509,060)	-	(509,060)
-	344,316	-	344,316
2,716,602	(8,496,001)	-	(8,496,001)
-	(1,928,470)	-	(1,928,470)
-	(18,484,430)	-	(18,484,430)
-	(2,144,659)	-	(2,144,659)
-	(6,278,393)	-	(6,278,393)
-	(19,400,464)	-	(19,400,464)
-	(749,660)	-	(749,660)
9,322,971	(5,895,433)	-	(5,895,433)
-	(1,134,937)	-	(1,134,937)
-	(2,015,265)	-	(2,015,265)
12,039,573	(70,991,331)	-	(70,991,331)
-	-	70,669	70,669
7,029,200	-	7,548,035	7,548,035
7,029,200	-	7,618,704	7,618,704
$ 19,068,773	$ (70,991,331)	$ 7,618,704	$ (63,372,627)
	56,852,372	-	56,852,372
	28,861,624	-	28,861,624
	302,908	-	302,908
	5,521,016	-	5,521,016
	322,451	-	322,451
	114,893	37,797	152,690
	1,011,374	393,688	1,405,062
	2,602,600	(2,602,600)	-
	95,589,238	(2,171,115)	93,418,123
	24,597,907	5,447,589	30,045,496
	363,246,071	183,246,001	546,492,072
	$ 387,843,978	$ 188,693,590	$ 576,537,568

Town of Flower Mound, Texas
Balance Sheet
Governmental Funds
September 30, 2021

	General	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 17,841,380	$ 1,458,857	$ 14,728,296	$ 31,139,666	$ 65,168,199
Investments	10,984,666	882,572	9,835,384	18,631,268	40,333,890
Receivables (net of allowances for estimated uncollectibles):					
Ad valorem taxes	452,097	136,872	-	-	588,969
Other taxes	2,665,100	-	-	2,629,870	5,294,970
Accounts	1,076,237	-	-	11,967	1,088,204
Accrued interest	61,361	-	131,091	-	192,452
Intergovernmental	-	-	30,736	405,375	436,111
Interfund	-	-	-	376,269	376,269
Franchise fees	1,760,670	-	-	37,492	1,798,162
Inventory	712,776	-	-	-	712,776
Prepaid items	55,789	-	-	1,819	57,608
Total Assets	$ 35,610,076	$ 2,478,301	$ 24,725,507	$ 53,233,726	$ 116,047,610
LIABILITIES					
Accounts payable	$ 4,275,932	$ -	$ 235,655	$ 1,507,281	$ 6,018,868
Retainage payable	-	-	173,735	477,329	651,064
Arbitrage payable	-	-	38,313	-	38,313
Salaries payable	1,651,956	-	-	211,897	1,863,853
Interfund	-	-	-	376,269	376,269
Unearned revenue	-	-	-	3,208,064	3,208,064
Total Liabilities	5,927,888	-	447,703	5,780,840	12,156,431
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	1,825,185	147,881	-	-	1,973,066
Total deferred inflows of resources	1,825,185	147,881	-	-	1,973,066
FUND BALANCES					
Nonspendable for:					
Prepaids	55,789	-	-	1,819	57,608
Inventory	712,776	-	-	-	712,776
Restricted for:					
Community services	-	-	-	790,764	790,764
Community development	-	-	-	17,628,772	17,628,772
Public safety-police	-	-	-	2,646,808	2,646,808
Public safety-fire	-	-	-	759,802	759,802
Streets	-	-	14,776,187	10,322,874	25,099,061
Parks	-	-	569,516	7,437,476	8,006,992
Facilities	-	-	1,597,244	-	1,597,244
Debt service	-	2,330,420	-	-	2,330,420
Committed for:					
Community services	-	-	-	1,951,388	1,951,388
Community development	393,870	-	-	-	393,870
Public safety-police	-	-	-	86,381	86,381
Parks	-	-	-	5,826,802	5,826,802
Capital projects	-	-	7,334,857	-	7,334,857
Unassigned	26,694,568	-	-	-	26,694,568
Total Fund Balance	27,857,003	2,330,420	24,277,804	47,452,886	101,918,113
Total liabilities, deferred inflows of resources and fund balances	$ 35,610,076	$ 2,478,301	$ 24,725,507	$ 53,233,726	$ 116,047,610

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
As of September 30, 2021

Total fund balances - governmental funds	$ 101,918,113
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.	358,430,175
Certain receivables will be collected next year but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenues in the funds.	
Taxes	643,914
Franchise fees	647,374
Ambulance fees	227,955
Municipal court fees	103,585
Community activity center services	350,238
Two internal service funds are used by the Town's management. The assets and liabilities of the internal service fund are included with governmental activities, net of internal balances of ($268,130).	15,036,096
Deferred outflows (inflows) of resources are not reported in the governmental funds:	
Deferred charges on refundings	582,918
Pension contributions after measurement date	3,266,256
Pension difference in actual experience and actuarial assumptions	1,519,219
Pension investment income	(3,472,816)
Pension assumption losses	312,333
OPEB contributions after measurement date	87,342
OPEB difference in actual experience and actuarial assumptions	(143,611)
OPEB investment losses	630,523
Certain assets and liabilities are accrued in the government-wide statements. However, they are not accrued in the governmental fund statements.	
Accrued interest on the bonds	(213,618)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds payable	(17,430,000)
Certificates of obligation payable	(45,385,000)
Bond premium/discounts	(6,326,940)
Net pension payable	(13,926,618)
Compensated absences	(5,190,567)
OPEB payable	(3,822,893)
Net position of governmental activities	$ 387,843,978

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	General	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Ad valorem	$ 39,612,028	$ 10,100,824	$ -	$ 7,019,069	$ 56,731,921
Sales	14,469,038	-	-	14,392,586	28,861,624
Franchise	5,372,544	-	-	155,917	5,528,461
Alcoholic beverage	322,451	-	-	-	322,451
Hotel occupancy	-	-	-	302,908	302,908
Licenses, permits and fees	2,825,866	-	-	1,391,100	4,216,966
Intergovernmental	1,196,666	-	-	5,177,022	6,373,688
Impact fees	-	-	807,008	-	807,008
Charges for services	4,030,222	-	-	69,679	4,099,901
Fines and forfeits	1,014,069	-	-	122,800	1,136,869
Investment earnings	36,653	5,029	2,724	51,497	95,903
Memorials and contributions	-	-	-	14,954	14,954
Other revenue	1,012,379	-	1,800,000	2,900	2,815,279
Total Revenues	69,891,916	10,105,853	2,609,732	28,700,432	111,307,933
EXPENDITURES					
Current					
Town manager's office	4,249,212	-	-	-	4,249,212
Legislative services	535,784	-	-	-	535,784
Development services	2,162,182	-	-	-	2,162,182
Parks & recreation services	7,843,632	-	-	6,994,159	14,837,791
Library services	1,960,418	-	-	7,220	1,967,638
Police services	15,998,254	-	-	3,300,883	19,299,137
Financial services	3,673,030	-	-	59,102	3,732,132
Administrative services	6,197,054	-	-	-	6,197,054
Fire and emergency services	16,826,829	-	-	5,868,652	22,695,481
Communications	659,462	-	-	74,130	733,592
Public works	5,427,928	-	-	4,033,483	9,461,411
Environmental services	1,443,788	-	-	-	1,443,788
Debt service	-	8,660,102	-	2,641,875	11,301,977
Capital projects	-	-	3,762,191	-	3,762,191
Total Expenditures	66,977,573	8,660,102	3,762,191	22,979,504	102,379,370
Excess (deficiency) of revenues over (under) expenditures	2,914,343	1,445,751	(1,152,459)	5,720,928	8,928,563
OTHER FINANCING SOURCES (USES)					
Transfers in	2,865,960	272,300	1,315,000	372,955	4,826,215
Transfers out	(687,955)	(1,000,000)	-	(522,300)	(2,210,255)
Total Other Financing Sources and Uses	2,178,005	(727,700)	1,315,000	(149,345)	2,615,960
Net change in fund balances	5,092,348	718,051	162,541	5,571,583	11,544,523
Fund balances - beginning	22,764,655	1,612,369	24,115,263	41,881,303	90,373,590
Fund balances - ending	$ 27,857,003	$ 2,330,420	$ 24,277,804	$ 47,452,886	$ 101,918,113

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2021

Net change in fund balances - total governmental funds	$	11,544,523
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures and do not reflect sales or transfers of capital assets. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense and gains and losses are recognized as they occur. (Additions of $14,909,826 and loss on disposals and transfers of $14,361.)		14,895,465
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the acquisition value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		6,413,084
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(17,909,139)
The issuance of long term debt (i.e. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond proceeds of $0 less repayments of $8,560,000, plus amortization of deferred loss of $132,441, less discount of $834,074) is the net effect of these differences in the treatment of long-term debt and related items.		9,261,633
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(429,479)
Current year changes in the long term liability and related outflows (inflows) for pensions do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		242,854
Current year changes in the long term liability and related outflows (inflows) for OPEB payables do not require the use of current financials resources; therefore, are not reported as expenditures in governmental funds.		(241,517)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		25,079
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		330,485
Internal service funds are used by management to share the costs of certain activities, such as the purchase of insurance and vehicle and equipment replacements to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities, net of the amount allocated to business-type activities (-$117,617).		464,919
Change in net position of governmental activities	$	24,597,907

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,174,694	$ 10,053,793
Investments	3,398,939	6,311,188
Receivables (net of allowances for estimated uncollectibles):		
Accounts	4,514,885	355,603
Unbilled services	2,504,973	-
Prepaids	32,099	-
Inventories, at cost	572,918	-
Restricted:		
Cash and cash equivalents	30,673,096	-
Investments	20,379,346	-
Total current assets	68,250,950	16,720,584
Capital assets:		
Land	4,419,755	-
Buildings	53,765,322	-
Distribution system	257,742,519	-
Equipment	3,811,621	-
Construction in progress	26,735,581	-
Accumulated depreciation	(117,569,561)	-
Total capital assets(net of accumulated depreciation)	228,905,237	-
Total noncurrent assets	228,905,237	-
Total Assets	297,156,187	16,720,584
DEFERRED OUTFLOW OF RESOURCES		
Deferred charges on refundings	302,181	-
Deferred outflows related to pensions	716,999	-
Deferred outflows related to OPEB	123,130	-
Total deferred outflow of resources	1,142,310	-
LIABILITIES		
Current liabilities:		
Accounts payable	3,685,851	61,474
Estimated health claims	-	1,354,884
Meter deposits	546,205	-
Salaries payable	230,223	-
Accrued bond interest	319,641	-
Retainage payable	600,044	-
Total current liabilities	5,381,964	1,416,358
Current liabilities payable from restricted assets:		
Current portion of accrued leave benefits	137,297	-
Current portion of contractual obligations	4,244,986	-
Current portion of general obligations	1,982,486	-
Total current liabilities payable from restricted assets	6,364,769	-
Total current liabilities	11,746,733	1,416,358
Noncurrent liabilities		
Accrued leave benefits	375,170	-
Net pension liability	1,878,366	-
OPEB payable	658,399	-
Contractual obligations	84,090,889	-
General obligation bonds	10,549,387	-
Total noncurrent liabilities	97,552,211	-
Total Liabilities	109,298,944	1,416,358
DEFERRED INFLOW OF RESOURCES		
Deferred inflows related to pensions	548,708	-
Deferred inflows related to OPEB	25,385	-
Total deferred inflow of resources	574,093	-
NET POSITION		
Net investment in capital assets	150,778,480	-
Restricted for capital projects	27,003,287	-
Unrestricted	10,643,693	15,304,226
Total Net Position	$ 188,425,460	$ 15,304,226

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Enterprise Fund Statement of Net Position
to the Government-wide Statement of Net Position
As of September 30, 2021

Total net position- enterprise fund	$ 188,425,460
Amounts reported for business-type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net position of certain internal service funds is reported with business-type activities.	268,130
Total net position- business-type activities	$ 188,693,590

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues:		
Charges for services	$ 48,164,295	$ 13,429,644
Penalties, fines and forfeits	345,627	-
Other	393,688	201,766
Total operating revenue	48,903,610	13,631,410
Operating expenses:		
Administration	6,067,590	-
Maintenance and operations	29,878,833	2,095,014
Depreciation	8,364,144	-
Health insurance and flexible benefits	-	11,208,084
Total operating expenses	44,310,567	13,303,098
Operating income	4,593,043	328,312
Nonoperating revenues (expenses):		
Interest income	37,797	18,990
Interest expense	(3,492,234)	-
Total nonoperating revenue (expenses)	(3,454,437)	18,990
Income before contributions and transfers	1,138,606	347,302
Contributions-developers	3,942,061	-
Contributions-impact fees	3,087,139	-
Contributions-other funds	13,360	-
Transfers in	-	-
Transfers out	(2,615,960)	-
Change in net position	5,565,206	347,302
Total net position - beginning	182,860,254	14,956,924
Total net position - ending	$ 188,425,460	$ 15,304,226

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position of Enterprise Funds to the Statement of Activities
For the Year Ended September 30, 2021

Net change in fund net position- enterprise funds	$ 5,565,206
Amounts reported for business-type activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net revenue of certain internal service funds is reported with governmental activites. The amount shown represents the net revenue allocated to business-type activities.	(117,617)
Change in net position of business-type activities	$ 5,447,589

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 47,903,123	$ -
Cash received from transactions with other funds	-	13,598,246
Cash paid to employees for services	(7,883,986)	-
Cash paid for goods and services	(28,975,697)	(6,702,034)
Cash paid for claims	-	(6,503,446)
Net cash provided by operating activities	11,043,440	392,766
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	-
Transfers to other funds	(2,615,960)	-
Net cash provided (used) by noncapital financing activities	(2,615,960)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payment on bonds payable and certificates of obligation	(7,385,000)	-
Interest and fiscal charges	(3,911,973)	-
Proceeds from issuance of debt	10,224,343	-
Proceeds from impact fees	3,087,139	-
Bond issuance costs paid	(160,541)	-
Purchase of capital assets	(12,683,037)	-
Net cash provided (used) by capital and related financing activities	(10,829,069)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investment securities	37,903,245	4,060,967
Purchase of investment securities	(50,263,826)	(1,650,643)
Interest received	37,797	18,990
Net cash provided (used) by investing activities	(12,322,784)	2,429,314
Net decrease in cash and cash equivalents	(14,724,373)	2,822,080
Cash and cash equivalents, October 1	51,572,163	7,231,713
Cash and cash equivalents, September 30	$ 36,847,790	$ 10,053,793
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 4,593,043	$ 328,312
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	8,364,145	-
Change in assets and liabilities		
Decrease (Increase) in trade receivables	(667,063)	(33,164)
Decrease (Increase) in prepaids	(1,237)	-
Decrease (Increase) in unbilled receivables	(311,673)	-
Decrease (Increase) in inventory	(33,096)	-
Increase (Decrease) in deposits payable	12,582	-
Increase (Decrease) in pension liability	(32,909)	-
Increase (Decrease) in OPEB payable	39,173	-
Increase (Decrease) in accounts payable and accrued liabilities	(919,525)	97,618
Total adjustments	6,450,397	64,454
Net cash provided by operating activities	$ 11,043,440	$ 392,766
Noncash investing, capital, and financing activities:		
Contributions of capital assets from developers	$ 3,942,061	$ -
Long-term debt refunding	2,050,000	-
Transfer of capital assets from other funds	13,360	-

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2021

	Custodial Fund
	River Walk Public Improvement District Number 1
ASSETS	
Cash and cash equivalents	$ 2,076,412
Total Assets	2,076,412
LIABILITIES	
Due to debt holders	-
Total Liabilities	-
NET POSITION	
Restricted for CADG Riverwalk LLC	2,076,412
Total Net Position	$ 2,076,412

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2021

	Custodial Fund
	River Walk Public Improvement District Number 1
ADDITIONS	
Interest income	$ 1,028
Total Additions	1,028
DEDUCTIONS	
Disbursements to debt holders	-
Total Deductions	-
Change in net position	1,028
Net position - beginning, as restated	2,075,384
Net position - ending	$ 2,076,412

The notes to the financial statements are an integral part of this statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Flower Mound is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The accounting and reporting policies of the Town conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

Component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Based on these criteria, the financial information of the Flower Mound's Community Development Corporation has been blended with the Town's financial statements.

Blended Component Unit – Flower Mound's Community Development Corporation is a non-profit corporation that serves the citizens of the Town by improving municipal parks and recreational facilities through land acquisition and the development of parks. The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the Town of Flower Mound, and the specific purposes for which the Corporation is organized, and with Town Council approval, may issue bonds on behalf of the Town and expend the proceeds of any sales and use tax levied for projects authorized by Section 4B of Article 5190.6 of the Texas Revised Civil Statutes, as amended, for land, building, equipment, facilities, and improvements required or suitable for use for public park purposes and events, including parks and park facilities, and the maintenance and operation expenses for any of the above described projects.

Because the services that the Community Development Corporation provides exclusive benefits to the Town and the Community Development Corporation operations are so intertwined with those of the Town, the Community Development Corporation is in substance a department of the Town and has been blended into the Town's financial statements in the Other Governmental Funds category and reported as a Special Revenue Fund, 4B Parks-Sales Tax Fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. They contain information on all activities of the Town and its component units. As a general rule, most effects of inter-fund activity have been removed from these statements. Exceptions to this general rule are charges between the Town's utility function and various other functions of the Town and charges of the internal service funds to the enterprise fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately

from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function/program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or function/program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function/program; 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function/program; 3) capital grants and contributions, including special assessments. Taxes and internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds, however, are not included in the totals for the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental, proprietary and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue, as soon as, all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized, as soon as, they are both measurable and available. Revenues are considered measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual are property taxes, franchise fees, licenses, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on long-term general obligation debt of governmental funds.

General Capital Projects Fund – The General Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The Town reports the following non-major governmental funds:

Special Revenue Funds – The Town's Special Revenue Funds are used to account for revenue sources that are designated to finance particular functions or activities or are legally restricted to expenditures for specified purposes, as follows:

- *Library Development Fund* – accounts for all monetary donations made to the Flower Mound Public Library.

- *Tax Increment Reinvestment Zone (TIRZ) Fund* – accounts for financial resources and expenditures relating to the reinvestment zone.

- *Park Development Fund* – accounts for all monetary contributions and payments to the Town by developers in lieu of the dedication of actual park land.

- *Tree Preservation Fund* – accounts for funds donated to and used by the Town to provide or support supplemental landscape plantings in public areas and enforce tree preservation regulations.

- *Public Education Government (PEG) Fund* – accounts for revenues derived from cable providers in Flower Mound per Section 66-006 of the Texas Utilities Code.

- *Street Maintenance-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are expended on reconstruction or rehabilitation of street projects.

- *Parks 4B-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used for park and recreation improvements.

- *Crime District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two police beats with staff, equipment and vehicles.

- *Fire District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two fire stations with personnel and equipment.

- *Flower Mound Log Cabin Fund* – accounts for donations and expenditures related to the restoration, maintenance, or repair of the cabin site and/or exhibits.

- *Police Seizure Fund* – accounts for funds received under the Controlled Substances Act of the State of Texas with expenditures restricted to use solely in the investigation of any alleged violations of the criminal laws of the state and donations for the same purpose.

- *IRS Equitable Sharing Fund* – accounts for funds received for participating with the IRS task force on criminal investigations and asset forfeitures of illegal activities in the North Texas area.

- *Chapter 59 Seizures Fund* – accounts for funds that are being pursued in the state-level courts and are held until they are awarded as forfeiture or denied.

- *Animal Care Fund* – accounts for funds received by donation to be used for the care of animals at the animal adoption center.

- *SAFER Grant Fund* – accounts for revenues derived from grant funding for thirty additional firefighters. The funds are expended for grant related purposes.

- *CDBG-HUD Grant Fund* – accounts for revenues derived from the Department of Housing and Urban Development for a Community Development Block Grant and funds are expended for grant related purposes.

- *Grants Fund* – accounts for revenues derived from various granting agencies. The funds are expended for grant related purposes.

- *Neighborhood Improvement Fund* – promotes reinvestment in neighborhoods to maintain property values though a town-sponsored repair and replacement program.

- *COVID-19 Fund* – accounts for revenues received from various granting agencies. The funds are expended for COVID-19 purposes.

- *Hotel Occupancy Tax Fund* – accounts for the accumulation of resources from the Hotel/Motel tax assessment levied by the Town. These monies are to be spent to promote the progress, development or growth of the Town within the guidelines set forth on the Texas Hotel Occupancy Tax Act.

- *Municipal Court Security Fund* – accounts for municipal court fees assessed to provide for court security.

- *Municipal Court Technology Fund* – accounts for municipal court fees assessed to finance the purchase of technological enhancements for municipal court.

- *Municipal Court Jury Fund* – accounts for municipal court fees assessed to finance jury services.

- *Municipal Court Truancy Prevention Fund* – accounts for municipal court fees assessed to finance expenditures related to juvenile case manager.

The Town reports the following proprietary funds:

Enterprise Fund – The Town's Enterprise Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. Activities of the fund include administration, operations and maintenance of the water, wastewater, and stormwater drainage systems and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Internal Service Funds – The Town's Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the Town.

- *Health Insurance and Flexible Benefit Fund* – accounts for revenues from premium charges to the departments and employee contributions for individual and dependent coverage in which expenses include claim payments, administrative costs, and reinsurance premiums for the health, dental and eye programs.

- *Vehicle, Equipment and Technology Replacement Fund* – accounts for the purchase of vehicles and equipment operated by the Town in which the departments pay monthly amounts to provide funds for future replacement capital outlay.

Additionally, the Town reports the following fiduciary fund:

Fiduciary Funds – The Town's Fiduciary Funds are used to account for resources held by the Town for the benefit of outside entities. Since these resources cannot be used to support the operations of the Town, they are not shown in the government-wide financial statements. The accounting of fiduciary funds is similar to that of proprietary funds.

- *Public Improvement District (PID) Debt Service Custodial Fund* – accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town, as custodian for the Public Improvement District.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The Town pools cash from all funds for the purpose of increasing income through coordinated investment activities. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when preparing these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

Trade and property tax receivables are shown net of an allowance for uncollectibles.

F. Property taxes

Property taxes attach as an enforceable lien on property located in the Town as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. The Denton County Tax Assessor/Collector's office bills and collects the Town's property taxes.

The statutes of the State of Texas do not prescribe a legal limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the fiscal year ended September 30, 2021, the Town had a tax margin of $2.0635 per $100 assessed valuation based upon the maximum rates described above.

G. Inventories

Inventories are accounted for by the consumption method. They are valued at weighted average cost and consist of automotive equipment, postage, meters and settings and gasoline purchased by the Town to use in its automobiles. The cost of the inventories is recorded as an expense when consumed rather than when purchased.

H. Prepaid Items

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year. The purchasing method is used to account for prepaids.

I. Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds and other amounts designated for capital improvements, as well as, certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. The Town defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed. During the year ended September 30, 2021, no interest was capitalized by the Town.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings & Structures	20-45 years
Improvements other than Buildings	20-45 years
Utility Improvements	45 years
Vehicles	2-20 years
Machinery & Equipment	7-15 years
Furniture & Office Equipment	3-15 years
Bridges	45 years
Streets	20 years
Signals	10 years

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions

to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's total pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

L. Compensated Absences

It is the Town's policy to permit employees to accumulate certain earned but unused vacation, holiday time, comp time, and sick pay benefits. Upon retirement of employment, as defined by the Texas Municipal Retirement System, an employee who has completed a minimum of ten (10) years of continuous service with the Town, shall be eligible for pay for one-half (½) of accumulated sick leave, or three hundred and sixty (360) hours, whichever is less. All vacation pay, holiday time and comp time is accrued when incurred in the government-wide and proprietary fund financial statements.

M. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For detail of deferred outflows see Note 6.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For detail of deferred inflows see Note 6.

O. Other Post-Employment Benefits

For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, Town specific information about its total TMRS SDBF liability and additions to/deductions from the Town's total TMRS SDBF liability have been determined on the same basis as reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

For purposes of measuring the total Retiree Health Care Plan OPEB liability as administered by the Town, related deferred outflows and inflows of resources, and expense, Town specific information about its total Retiree Health Care Plan liability and additions to/deductions from that liability have been determined on the same basis as reported by the Town. The expense and deferred (inflows)/outflows of resources related to are primarily the result from changes in the components of the total liability. Most changes in the total liability will be included in expense in the period of the change. For example, changes in the total liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in the expense immediately. Changes in the total liability that have not been included in the expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to Retiree Health Care Plan.

P. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Q. Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Town Council through an ordinance or resolution. The non-spendable fund balance classification include amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the Town Council – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. The Town Council has the authority to assign amounts to be used for specific purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

For the classification of Governmental Fund balances, the Town considers an expenditure to be made from the most restrictive first when more than one classification is available.

The Town Charter requires that 10 percent of the general and utility fund budget be placed in reserves to be used in case of unforeseen items of expenditure. The reserve is under the control of the Town Manager and distributed after approval of the Town Council.

S. Implementation of GASB Statement No. 84, Fiduciary Activities

As of October 1, 2020, the Town implemented GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. As a result of implementing this Statement, the Town is reporting its fiduciary activity in a custodial fund, rather than the previously reported agency fund. In addition, a statement of changes in fiduciary net position is now reported as part of the basic financial statements. For detail of the restatement see Note 14.

2. CASH AND INVESTMENTS

In order to facilitate effective cash management practices, the cash of all funds is pooled into common accounts for the purpose of increasing income through combined investment activities. At year-end, the carrying amount of the Town's deposits was $544,644 and the bank balance was $1,513,785. Collateral is required for all of the Town's deposits and shall be secured by pledged collateral with a fair value of no less than 103 percent of the principal, plus accrued interest, less an amount insured by federal deposit insurance. The Town authorized that collateral be in the form of U.S. Treasury obligations (fully and unconditionally guaranteed as to principal and interest by the full faith and credit of the United States), obligations of the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or a Federal Home Loan Bank letter of credit and FDIC coverage. Bank deposits are fully insured, or collateralized, with securities held by the Town's agent in the Town's name. The Town had $113,606,495 invested in public funds investment pools included in this report as cash and cash equivalents.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m, or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The Town deposits collections from all sources in interest bearing accounts established for each fund. Excess cash may be invested in obligations of the U.S. Treasury, U.S. Agencies, fully collateralized repurchase agreements, eligible municipal investment pools, no-load money market funds (regulated by the Securities and Exchange Commission) and certificates of deposit. The Town's Investment Policy, which is governed by state statutes and Town resolution, authorizes the investment instruments previously listed. The investments reported at September 30, 2021, were similar to those held during the fiscal year.

The Town has adopted the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB 31). Investments that have a remaining maturity at the time of purchase in excess of one year are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal securities and repurchase agreements.

The Town has investments in government pools at September 30, 2021 totaling $113,606,495, which are recorded at amortized cost.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are

significant unobservable inputs.

As of September 30, 2021, the Town has investments of $70,411,740 (Level 2 inputs) valued by a pricing service which uses an estimation process that values securities at the closing price reported on the active market on which the individual securities are traded.

At September 30, 2021, the Town had the following cash equivalents and investments:

	Fair Value	Weighted Avg Maturity (Days)
Primary Government:		
State Wide Investment Pools	$ 113,606,495	39
Treasuries	70,411,740	180
Total Primary Government	$ 184,018,235	69

The amounts for the Investment Pools (Texpool and Texstar) are included for financial reporting purposes in cash and cash equivalents. The Investment Pools qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Town's investment policy establishes the portfolio's maximum average dollar-weighted maturity, per pooled fund group, is 365 days for the operating funds, 180 days for the debt service funds, 730 days for the debt service reserve fund, 90 days for the special revenue funds and 365 days for the capital project funds.

Credit risk. The Town's investment policy, in conjunction with State law, specifies the type of credit rating of all authorized investments. The Town's investments in U.S. Agency securities include Federal Home Loan Mortgage Corporation (FHLMC) security, which is rated AAA by Standard's & Poor's and Aaa by Moody's Investors Service. On September 6, 2008, the Federal Housing Finance Agency (FHFA) was appointed as conservator of FNMA and FHLMC. The obligations of the agencies will be paid in the normal course of business during the conservatorship. The Treasury Department, through a secured lending credit facility and a senior preferred stock purchase agreement, has significantly enhanced the ability of FNMA and FHLMC to meet their obligations. FHFA does not anticipate that there will be any disruption in FNMA and FHLMC's pattern of payments or ongoing business operations. The investments in TexPool and TexStar carry a rating of AAAm by Standard and Poor's.

Concentration of credit risk. With the exception of U.S. Treasury securities and certificates of deposit, the Town's investment policy limits the amount that may be invested in any one issuer to a percentage of the total investment portfolio, 75% in U.S. Agencies, 70% in local government investment pools and 10% in local government obligations. As of September 30, 2021, 5% or more of the Town's total investments are in the following: TexPool (32.64%), TexStar (29.09%), and Treasury Securities (38.27%), on a fair value basis.

Oversight for TexPool and TexSTAR. Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor

consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools.

TexSTAR is administered by JP Morgan Investment Management, Inc. and First Southwest and is rated AAAm by Standard and Poor's.

3. RECEIVABLES

Receivables at September 30, 2021, for the Town's individual major funds and other funds (non-major funds, internal service funds), in the aggregate, including the applicable allowances for uncollectible accounts, are shown below.

	General	Debt Service	Capital Projects	Utilities	Other Funds
Receivables					
Taxes	$ 467,836	$ 141,637	$ -	$ -	$ -
Accounts	2,867,100	-	-	5,320,626	367,570
Franchise fees	1,760,671	-	-	-	37,492
Unbilled services	-	-	-	2,504,973	-
Accrued interest	61,361	-	131,091	-	-
Intergovernmental	16,305	-	30,736	-	405,375
Other taxes	2,665,099	-	-	-	2,629,870
Gross receivables	7,838,372	141,637	161,827	7,825,599	3,440,307
Less: allowance	(1,822,907)	(4,765)	-	(805,741)	-
Net total receivables	$ 6,015,465	$ 136,872	$ 161,827	$ 7,019,858	$ 3,440,307

Governmental funds report unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue are reported as deferred inflows and unearned revenue are reported as a liability. The details of unavailable are shown below.

	Unavailable
Delinquent property taxes receivable (general fund)	$ 496,033
Municipal court receivable (general fund)	103,585
Franchise fee receivable (general fund)	647,374
Ambulance revenues (general fund)	227,955
Community Activity Center accounts receivable (general fund)	350,238
Leases (general fund)	-
Delinquent property taxes receivable (debt service fund)	147,881
	$ 1,973,066

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund receivables and payables at September 30, 2021 is as follows:

Due to Fund	Due From Fund	Amount	Purpose
Nonmajor Governmental	Nonmajor Governmental	$376,269	Short-term funding-intergovernmental receivable
	Total	$376,269	

There was an interfund balance at September 30, 2021 between the Street Maintenance Fund and the following funds: SAFER Grant, the CDBG Grant and the Grants Fund for $376,269. These interfund balances are due to timing of receipts for amounts spent in advance.

Transfers between funds during the year were as follows:

Transfers From	Transfers To	Amount	Reason
Utility Fund	General Fund	$ 2,615,960	Administrative Cost Allocation
Nonmajor Governmental Fund	General Fund	250,000	CDC operation & maintenance
General Fund	Capital Projects Fund	150,000	Sidewalk links program
General Fund	Capital Projects Fund	115,000	Street Light program
General Debt Service Fund	Capital Projects Fund	1,000,000	Various Chapter 380 Capital Projects
General Fund	Capital Projects Fund	50,000	Engineering Design Standards Update
Nonmajor Governmental Fund	General Debt Service Fund	272,300	Twin Coves park
General Fund	Nonmajor Governmental Fund	14,925	Bulletproof Vest Grant match
General Fund	Nonmajor Governmental Fund	358,030	SAFER Grant match
		$ 4,826,215	

5. CAPITAL ASSETS

Capital asset balances and activity for the year ended September 30, 2021, are summarized as follows:

Governmental activities:	Balance at October 1, 2020	Additions	Retirements/ Transfers	Balance at September 30, 2021
Capital assets not being depreciated:				
Land	$ 35,782,959	$ -	$ -	$ 35,782,959
Construction in progress	53,291,474	11,412,745	(16,031,690)	48,672,529
Total capital assets not being depreciated	89,074,433	11,412,745	(16,031,690)	84,455,488
Capital assets being depreciated:				
Buildings	91,082,607	1,323,840	1,809,204	94,215,651
Streets and bridges	426,346,906	6,478,084	12,725,228	445,550,218
Improvements	45,800,229	-	1,497,259	47,297,488
Equipment	25,686,041	2,108,240	(333,054)	27,461,227
Total capital assets being depreciated	588,915,783	9,910,164	15,698,637	614,524,584
Less accumulated depreciation for:				
Buildings	21,836,573	2,950,638	-	24,787,211
Streets and bridges	273,110,668	10,114,804	-	283,225,472
Improvements	14,989,668	2,202,486	-	17,192,154
Equipment	13,022,542	2,641,211	(318,693)	15,345,060
Total accumulated depreciation	322,959,451	17,909,139	(318,693)	340,549,897
Total capital assets, being depreciated, net	265,956,332	(7,998,975)	16,017,330	273,974,687
Governmental activities capital assets, net	$ 355,030,765	$ 3,413,770	$ (14,360)	$ 358,430,175

Business-type activities:	Balance at October 1, 2020	Additions	Retirements/ Transfers	Balance at September 30, 2021
Capital assets not being depreciated:				
Land	$ 4,419,755	$ -	$ -	$ 4,419,755
Construction in progress	24,967,543	12,541,735	(10,773,697)	26,735,581
Total capital assets not being depreciated	29,387,298	12,541,735	(10,773,697)	31,155,336
Capital assets being depreciated:				
Buildings	53,624,020	141,302	-	53,765,322
Distribution System	243,026,762	3,942,060	10,773,697	257,742,519
Equipment	3,951,551	13,361	(153,291)	3,811,621
Total capital assets being depreciated	300,602,333	4,096,723	10,620,406	315,319,462
Less accumulated depreciation for:				
Buildings	21,632,657	1,173,415	-	22,806,072
Distribution System	85,543,604	6,801,985	-	92,345,589
Equipment	2,182,447	388,744	(153,291)	2,417,900
Total accumulated depreciation	109,358,708	8,364,144	(153,291)	117,569,561
Total capital assets, being depreciated, net	191,243,625	(4,267,421)	10,773,697	197,749,901
Business-type activities capital assets, net	$ 220,630,923	$ 8,274,314	$ -	$ 228,905,237

Business-type activities include $12,541,735 of the total $16,638,459 in additions of capital assets acquired through the use of debt.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Development services	$ 16,927
Library services	147,260
Parks and recreation services	3,059,869
Police services	1,151,036
Financial services	1,331,311
Fire and emergency services	1,589,273
Communications	37,912
Infrastructure services	10,575,551
Total depreciation expense-governmental activities	$ 17,909,139

Outstanding commitments at September 30, 2021, under authorized construction contracts were approximately $20,305,298. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources on the government-wide statement of net position are comprised of the following items:

Deferred Charges on Refundings

- Loss on refundings – difference in the carrying value of refunded debt and its reacquisition price. Additions result from any deferred losses on current fiscal year refunding's. A reduction is the amount that is amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows and Inflows Related to Pensions and OPEB

- Contributions after measurement date – Town contributions made from the evaluation date, December 31st to the fiscal year end, which are deferred and recognized in the following fiscal year.
- Difference in actual experience and actuarial assumption – difference in the actuarial economic and demographic assumptions and actual experience on liabilities. The loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Changes in actuarial assumption – difference arising due to assumption changes. The loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Investment gains/losses – difference in projected and actual earning on assets. The loss is deferred and amortized over a closed 5 year period.

A summary of changes in deferred outflows and inflows of resources is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Deferred amounts:				
Loss on refundings	$ 715,359	$ -	$ (132,441)	$ 582,918
Pension contributions after measurement date	3,024,464	3,280,376	(3,038,584)	3,266,256
Pension difference in actual experience and actuarial assumptions	2,248,543	-	(729,324)	1,519,219
Pension investment gains/losses	(3,699,717)	226,901	-	(3,472,816)
Pension assumption gains/losses	445,698	-	(133,365)	312,333
OPEB contributions after measurement date	17,409	108,586	(38,653)	87,342
OPEB difference in actual experience and actuarial assumptions	(592,431)	483,050	(34,230)	(143,611)
OPEB assumption gains/losses	274,696	355,827	-	630,523
Business-type activities:				
Deferred amounts:				
Loss on refundings	$ 344,293	$ 38,616	$ (80,728)	$ 302,181
Pension contributions after measurement date	425,843	444,488	(411,723)	458,608
Pension difference in actual experience and actuarial assumptions	313,672	-	(98,822)	214,850
Pension investment gains/losses	(579,453)	30,745	-	(548,708)
Pension assumption gains/losses	61,612	-	(18,071)	43,541
OPEB contributions after measurement date	1,289	19,867	(5,237)	15,919
OPEB difference in actual experience and actuarial assumptions	(127,725)	106,980	(4,640)	(25,385)
OPEB assumption gains/losses	49,113	58,098	-	107,211

7. LONG TERM DEBT

On June 22, 2021, the Town issued $9,090,000 in Certificates of Obligation Series, 2021, which will pay for the contractual obligations incurred for constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

The Town Council authorized an ordinance on June 22, 2021, to issue $1,905,000 in General Obligation Refunding Bonds Series, 2021, to defease or refund a portion of the Town's outstanding debt in order to reduce the overall debt service requirements of the Town and to pay the costs of issuance. This series refunds Certificates of Obligation Series 2011 for $2,050,000 for years maturing 2022 through 2031. The net proceeds from the sale of the bonds were used to purchase U.S. Government securities and those securities were deposited with an escrow agent to provide debt service payments until the bonds are called. Such refunded bonds are no longer payable from the net revenue of the Town of Flower Mound, but are payable solely from principal and interest on federal securities held for such purpose by the escrow agent. The reacquisition price exceeded the net carrying amount of the old debt by $38,616. This refunding was undertaken to reduce total debt service payments by $258,196 and resulted in an economic gain of $242,188.

Governmental Activities:

Long-term debt of the Town consists of general obligation bonds, certificates of obligation, and obligations under compensated absence agreements. General obligation bonds and certificates of obligation retirement is provided from the debt service tax, together with interest earned within the Debt Service Fund.

The Town's outstanding general obligation bonds are as follows:

Series	Outstanding
2012 Refunding	$ 1,640,000
2013 Refunding	140,000
2014 Refunding	2,320,000
2014A Refunding	4,895,000
2016 Refunding	5,615,000
2020 Refunding	2,820,000
	$ 17,430,000

The debt service requirements of general obligation bonds are as follows:

Due Fiscal Year Ending	Principal General Obligation Bonds	Interest	Total
2022	$ 4,025,000	$ 675,294	$ 4,700,294
2023	3,200,000	522,631	3,722,631
2024	3,010,000	389,334	3,399,334
2025	2,725,000	254,000	2,979,000
2026	2,195,000	139,275	2,334,275
2027-2030	2,275,000	108,100	2,383,100
Total	$ 17,430,000	$ 2,088,634	$ 19,518,634

The Town's outstanding certificates of obligation are as follows:

Series	Outstanding
2013	$ 2,055,000
2014	335,000
2015	2,125,000
2015A	3,130,000
2016	3,180,000
2017	5,595,000
2017A	11,375,000
2018	6,360,000
2018A	5,545,000
2019	5,685,000
	$ 45,385,000

The debt service requirements of certificates of obligation are as follows:

Due Fiscal Year Ending	Principal Certificates of Obligation	Interest	Total
2022	$ 3,885,000	$ 1,770,775	$ 5,655,775
2023	3,985,000	1,659,450	5,644,450
2024	4,130,000	1,520,131	5,650,131
2025	4,285,000	1,371,663	5,656,663
2026	4,435,000	1,205,269	5,640,269
2027-2031	10,625,000	4,147,215	14,772,215
2032-2036	10,900,000	1,768,085	12,668,085
2037-2039	3,140,000	118,450	3,258,450
Total	$ 45,385,000	$ 13,561,038	$ 58,946,038

Business-type Activities:

Utility long-term debt of the Town consists of general obligation bonds and certificates of obligation. Retirement is provided primarily from the revenues or earnings of the Town's Utility Fund.

The Town's Utility System's outstanding general obligation bonds are as follows:

Series	Outstanding
2012 Refunding	$ 1,230,000
2014 Refunding	365,000
2014A Refunding	520,000
2016 Refunding	5,660,000
2020 Refunding	1,270,000
2021 Refunding	1,880,000
	$ 10,925,000

The debt service requirements of the Utility System's general obligation bonds are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2022	$ 1,645,000	$ 406,550	$ 2,051,550
2023	1,705,000	340,425	2,045,425
2024	1,785,000	270,744	2,055,744
2025	1,425,000	202,325	1,627,325
2026	1,380,000	143,850	1,523,850
2027-2031	2,985,000	212,600	3,197,600
Total	$ 10,925,000	$ 1,576,494	$ 12,501,494

The Town's Utility System's outstanding certificates of obligation are as follows:

Series	Outstanding
2012	$ 4,300,000
2013	6,035,000
2014	10,565,000
2015A	5,865,000
2016	6,915,000
2017A	7,230,000
2018A	3,495,000
2019	19,215,000
2020	7,680,000
2021	9,090,000
	$ 80,390,000

The debt service requirements of the Utility System's certificates of obligation are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2022	$ 3,775,000	$ 3,096,749	$ 6,871,749
2023	3,990,000	2,890,953	6,880,953
2024	4,140,000	2,734,113	6,874,113
2025	4,280,000	2,586,356	6,866,356
2026	4,455,000	2,425,553	6,880,553
2027-2031	25,105,000	9,246,854	34,351,854
2032-2036	24,175,000	3,903,853	28,078,853
2037-2041	10,470,000	584,000	11,054,000
Total	$ 80,390,000	$ 27,468,431	$ 107,858,431

A summary of changes in long-term liabilities for the year ended September 30, 2021 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 22,215,000	$ -	$ (4,785,000)	$ 17,430,000	$ 4,025,000
Certificates of obligations	49,160,000	-	(3,775,000)	45,385,000	3,885,000
Bond premiums/discounts	7,161,014	-	(834,074)	6,326,940	834,074
Total bonds payable	78,536,014	-	(9,394,074)	69,141,940	8,744,074
Compensated absences	4,761,088	560,548	(131,069)	5,190,567	1,356,072
OPEB Liability	2,706,796	1,265,695	(149,601)	3,822,890	-
Net Pension Liability	14,563,468	7,644,174	(8,281,024)	13,926,618	-
Governmental activity Long-term liabilities	$ 100,567,366	$ 9,470,417	$ (17,955,768)	$ 92,082,015	$ 10,100,146
Business-type activities:					
General obligation bonds	$ 12,925,000	$ 1,905,000	$ (3,905,000)	$ 10,925,000	$ 1,645,000
Certificates of obligations	76,830,000	9,090,000	(5,530,000)	80,390,000	3,775,000
Bond premiums/discounts	8,893,458	1,384,982	(725,692)	9,552,748	807,472
Total bonds payable	98,648,458	12,379,982	(10,160,692)	100,867,748	6,227,472
Compensated absences	526,261	37,701	(51,495)	512,467	137,297
OPEB Liability	444,158	238,859	(24,618)	658,399	-
Net Pension Liability	1,964,658	1,035,774	(1,122,066)	1,878,366	-
Business-type activity Long-term liabilities	$ 101,583,535	$ 13,692,316	$ (11,358,871)	$ 103,916,980	$ 6,364,769

Compensated absences payables are based on the assignment of an employee within a fund. Other postemployment benefits are liquidated from the Health Insurance and Flexible Benefit internal service fund, with the retiree subsidy amounts paid by the General Fund.

8. RISK MANAGEMENT

Effective January 1, 1993, the Town established a partially self-funded trust plan which offers medical, dental, vision, long-term life insurance and disability coverage to employees and their dependents. The Town maintains excess loss insurance which limits annual claims paid from the plan to a maximum of $150,000 for any individual claim and an aggregate amount of 125% of expected claims. Blue Cross Blue Shield of Texas, a third-party administrator, is employed by the plan to administer claims. Trustees have been appointed to receive employer and employee contributions and to disburse payments to the providers of the plan. Costs relating to the plan are recorded in an Internal Service Fund. Revenue is recognized from employee payroll deductions and from Town contributions for employee and dependent coverage.

Changes in the claims liability amount were:

	2021	2020
Unpaid claims at beginning of fiscal year	$1,318,340	$1,248,347
Claims incurred and changes in estimates	6,539,990	6,398,024
Payments	(6,503,446)	(6,328,031)
Unpaid claims at end of fiscal year	$1,354,884	$1,318,340

All claims are due within one year.

Liability and property insurance coverage is provided by TML Intergovernmental Risk Pool. The Town retains, as a risk only, the deductible amounts for each declaration of coverage. There were no reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The Town is a member of the Texas Municipal League Intergovernmental Risk Pool. Insurance coverage of the Town is divided into the following types: real and personal property, mobile equipment, boiler and machinery, general liability, law enforcement liability, errors and omissions liability, automobile liability, automobile physical damage, automobile catastrophe, crime, public official liability, and employee benefits liability.

9. TAX ABATEMENTS

The Town enters into economic development agreements designed to promote development and redevelopment within the Town, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the Town. These programs rebate or abate property, sales and hotel taxes and also include incentive payments and/or reduction in fees that are not tied to taxes. The Town's Economic Development Agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 312 (Property Redevelopment and Tax Abatement Act), and Chapter 311 (Tax Increment Financing Act) of the Texas Tax Code.

The Town has three categories of economic development agreements:

- Tax Abatements - Property taxes can be abated starting at 20% and is negotiable for up to 10 years. The amount rebated is dependent on the minimum capital investment, the total number of full-time equivalents added to the local workforce, annual salaries of those employees, and environmentally conscious efforts. For fiscal year ending September 30, 2021, the Town abated $121,207,519 in real and/or personal property value, resulting in $529,070 in abated taxes.

- General Economic Development – The Town enters into economic development agreements under Chapter 380 of the Texas Local Government code to stimulate economic development. These agreements authorize the rebate of varying percentages of real and/or personal property taxes, a portion impact fees, permit waivers, or other expenses related to relocation costs, tenant finish-outs, and infrastructure. For fiscal year ending September 30, 2021, the Town rebated $262,884 in property taxes and $23,010 in sales taxes.

- Tax Increment Financing – The Town has one active Tax Increment Reinvestment Zone (TIRZ #1) under Chapter 311 of the Texas Tax Code. The TIRZ #1 2021 Annual Report identified an ending fund balance of $17,628,772, after total revenue of $7,036,525 and total expenditures of $4,331,271.

All incentive agreements (Chapter 380 and Tax Abatement Agreements) contain repayment (recapture) language, requiring the incentive recipient to refund the incentives if the recipient does not meet their contractual obligations outlined in the agreement. Obligations of incentive recipients vary, but typically include a timing deadline with regard to completion of construction, a deadline to receive a certificate of occupancy for the facility being incentivized, a minimum number of jobs (if the business is known), or a minimum taxable value, etc. Incentive recipients are to be notified of the default of their performance and given the opportunity to cure the default within a defined timeframe. If the default cannot be cured, then the recipient shall repay the amount of the incentive to the Town.

10. COMMITMENTS AND CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the Town. In the opinion of Town management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the Town's financial position, result of operations, or cash flows.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The Town contracts with the Upper Trinity Regional Water District (UTRWD), a conservation and reclamation district whereby the District finances, constructs, operates and maintains water treatment facilities for the benefit of the Town. Under the current contract (which expires May 2022 or when the Bonds issued by UTRWD for the system have been paid in full, whichever is later) the Town agrees to purchase an agreed upon minimum of wholesale treated water service for resale at the rate established annually by UTRWD based on the Town's proportionate share of the annual requirement, and the Town is unconditionally liable to purchase the annual minimum regardless of the needs of the Town. The Town made $18,898,970 in payments to UTRWD in the current fiscal year.

On February 22, 2011 Trinity River Authority of Texas (TRA), issued $4,735,000 of Town of Flower Mound Wastewater Transportation Contract Revenue Bonds, Series 2011 maturing August 1, 2030, for the purpose of design, acquisition and construction of the Town's portion of the Graham Branch Wastewater Transportation System Phase II. The project consists of a lift station and force main used to transport wastewater from the towns of Flower Mound, Argyle, and Northlake to the TRA Denton Creek Regional Wastewater System. TRA will acquire, construct, own, and operate the facilities. The Town is responsible to pay monthly installments equal to the annual payment sufficient for TRA to meet its bond service requirements. In addition to these payments the Town is separately contracted to pay operation and maintenance costs of the project. The Town made $607,760 in payments to TRA in the current fiscal year.

11. DEFINED BENEFIT PENSION PLAN

Plan Description

The Town of Flower Mound participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at *www.tmrs.com*.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the Town Council, within the options available in the state statutes governing TMRS. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. The plan also provides death benefits, and disability benefits. Effective January 1, 2002, members are vested after 5 years.

A Summary of plan provisions adopted by the Town as of December 31, 2020 is as follows:

Employee deposit rate	7.0%
Matching ratio (Town to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (age / years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase to retirees	0% of Consumer Price Index (CPI)

Employees covered by benefit terms:

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Employees Covered by Benefit Terms	
Inactive employees or beneficiaries currently receiving benefits	267
Inactive employees entitled to but not yet receiving benefits	458
Active Employees	630
	1,355

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the town. Under the state law governing TMRS, the contribution rate for each town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town of Flower Mound were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 10.91% and 11.41% in calendar years 2020 and 2021, respectively. The Town's contributions to TMRS for the year ended September 30, 2021, were $4,967,961, and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and

females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020-2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2019	$ 158,373,511	$ 141,845,384	$ 16,528,127
Changes for the year:			
Service cost	6,574,622	-	6,574,622
Interest	10,769,532	-	10,769,532
Difference between expected and actual experience	388,866	-	388,866
Changes of assumptions	-	-	-
Contributions- employer	-	4,698,644	(4,698,644)
Contributions- employee	-	3,053,905	(3,053,905)
Net investment income	-	10,776,001	(10,776,001)
Benefits payments, including refunds of employee contributions	(4,224,414)	(4,224,414)	-
Administrative expense	-	(69,670)	69,670
Other changes	-	(2,717)	2,717
Net Changes	$ 13,508,606	$ 14,231,749	$ (723,143)
Balance at 12/31/2020	$ 171,882,117	$ 156,077,133	$ 15,804,984

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as, what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate	Discount Rate (6.75%)	1% Increase in Discount Rate
Town's net pension liability	$ 42,100,836	$ 15,804,984	$ (5,760,918)

Pension plan fiduciary net position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2021, the Town recognized pension expense of $4,697,438.

At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 1,734,069	$ -
Difference between projected and actual investment earnings	-	4,021,524
Contributions subsequent to the measurement date	3,724,864	-
Changes in Actuarial assumptions	355,874	-
Total	$ 5,814,807	$ 4,021,524

$3,724,864 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended September 30,	
2022	$ (428,605)
2023	771,139
2024	(2,065,119)
2025	(208,996)
Total	$ (1,931,581)

12. OTHER POST-EMPLOYMENT BENEFITS

TMRS Supplemental Death Benefits Fund

Plan Description

The Town voluntarily participates in a single-employer, defined benefit other post-employment benefit (OPEB) plan administered by TMRS. The plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the Town's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided

The SDBF provides group-term life insurance to Town employees who are active members in TMRS, including or not including retirees. The Town Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the

designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	171
Inactive employees entitled to but not yet receiving benefits	80
Active employees	630
Total	881

Contributions

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rates were 0.14% and 0.12% for 2020 and 2021, respectively. 0.02% and 0.04% of the contractually required rates for 2020 and 2021, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The Town's contributions to the SDBF for the years ended September 30, 2021 and 2020 were $55,868 and $57,411, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions and Other Inputs

The total SDBF OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Actuarial cost method	Entry age normal
Discount rate	2.00 %
Projected salary increases	3.50% to 11.5% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are accounted for under the reporting requirements under GASB Statement No. 68.

Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis

by Scale UMP to account for future mortality improvements subject to floor.
The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. These were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

Discount Rate

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 2.00% was used to measure the total OPEB liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.00%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (2.00%)	1% Increase in Discount Rate
Total OPEB Liability	$ 2,164,938	$ 1,740,576	$ 1,414,263

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $1,740,576 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2021, the Town recognized OPEB aggregate expense of $187,130. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2019	$ 1,425,395
Changes for the year:	
Service cost	87,254
Interest	40,278
Change of benefit terms	-
Difference between expected and actual experience	(56,355)
Changes of assumptions and other inputs	252,729
Benefit payments	(8,725)
Net changes	315,181
Balance at 12/31/2020	$ 1,740,576

Changes in assumptions and other inputs reflect a change in the discount rate from 2.75% to 2.00% and the changes in actuarial assumptions adopted in 2020.

At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 100,697
Changes in actuarial assumptions	385,289	-
Contributions subsequent to the measurement date	39,065	-
Totals	$ 424,354	$ 100,697

$39,065 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2022. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2022	$ 59,598
2023	59,598
2024	58,582
2025	45,149
2026	41,679
Thereafter	19,986
Total	$ 284,592

Retiree Health Care Plan

Plan Description

The Town provides health care benefits through a single-employer defined benefit healthcare plan for all regular full-time employees who retire after December 31, 2006 and meet minimum retirement age of 60 and have been employed by the Town for five years continuously prior to retirement or have twenty years or more of service at any age.

Benefits Provided

The Retiree Health Care Plan provides medical and dental coverage for those employees that meet the eligibility requirements and opt into the plan at retirement. Employees who become disabled are not eligible for retiree health care benefits. The spouse of a current employee can continue to receive coverage when the employee retires if the spouse was covered at the time of retirement, and the retiring employee meets the previously outlined criteria for continued coverage, and the retiring employee continues to elect (and pay for) coverage for the dependent

at open enrollments. The spouses of all future retirees can continue to receive coverage under these circumstances, assuming the current policy remains unchanged. Retirees who decide to opt-out of the health care plan are not eligible to opt back in. Survivors of employees who die while actively employed are not eligible for retiree health care benefits, unless the employee was a Public Safety Officer.

The number of employees currently covered by the benefit terms is as follows:

Retirees and Beneficiaries	6
Inactive, Nonretired Employees	-
Active Employees	541
Total	547

Contributions

Currently the retiree contributes 100% of the blended healthcare premium for coverage and is also responsible for payment of premiums for any dependent coverage. Beginning January 1, 2015, the contribution rates for retirees and their dependents is based upon the retiree premium rates as developed in the most recent actuarial valuation report of the Town's retiree health care plan. Retiree contribution rates for fiscal year 2020-2021 ranged from $799.77 to $1,724.83 per month depending on coverage levels selected. There are two retirees whose contribution rate is $109.63 per month for employee plus family dental and vision coverage only and one retiree whose contribution rate is $39.15 for employee only dental and vision.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50%
Actuarial cost method	Individual Entry Age
Discount rate	2.00%
Projected salary increases	3.50% to 11.5% including inflation

Administrative expenses for the Retiree Health Care Plan are recognized on a pay-as you-go basis.

Mortality rates for healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate rates of scale MP-2019 to account for future mortality improvements.

Health Care trend rates were estimated using an initial rate of 7.00% declining to an ultimate rate of 4.25% after 13 years.

Participation rates assumed that 15% of those eligible for a service-based subsidy and 0% of those without a service-based subsidy would elect coverage. It was assumed no employees would maintain their health coverage through the Town's plan if they retire prior to age 50, except those retiring through TMRS disability retirement. All retirees are assumed to discontinue coverage upon reaching eligibility for Medicare.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018, as conducted for the Texas Municipal Retirement System (TMRS).

Discount Rate

Because the Retiree Health Care plan is essentially a "pay-as-you-go" plan and does not have formal assets, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.00%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (2.00%)	1% Increase in Discount Rate
Total OPEB Liability	$ 3,032,252	$ 2,740,713	$ 2,475,352

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the healthcare trend rate used was 1% less than and 1% greater than the healthcare trend rate that was used (7.00%) in measuring the total OPEB liability.

	1% Decrease in Health Care Trend Rate	Current Health Care Trend Rate Assumption	1% Increase in Health Care Trend Rate
Total OPEB Liability	$ 2,402,924	$ 2,740,713	$ 3,148,065

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $2,740,713 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2021, the Town recognized OPEB aggregate expense of $169,534. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2019	$ 1,725,559
Changes for the year:	
Service cost	101,855
Interest	49,091
Change of benefit terms	-
Difference between expected and actual experience	647,915
Changes of assumptions and other inputs	198,982
Benefit payments	17,311
Net changes	1,015,154
Balance at 12/31/2020	$ 2,740,713

Changes in assumptions and other inputs reflect a change in the discount rate from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 653,420	$ 721,719
Changes in actuarial assumptions	353,008	563
Contributions subsequent to the measurement date	64,196	-
Totals	$ 1,070,624	$ 722,282

$64,196 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2022	$ 18,588
2023	18,588
2024	18,588
2025	18,588
2026	18,588
Thereafter	191,206
Total	$ 284,146

13. NEW FINANCIAL REPORTING REQUIREMENTS

The GASB has issued the following statements:

Statement No. 87, Leases – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective in fiscal year 2022.

Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will become effective fiscal year 2023.

14. ADOPTION OF NEW STANDARD

The Town adopted GASB Statement No. 84, Fiduciary Activities (GASB 84) in fiscal year 2021. The impact to the Town resulted in a reclassification of agency funds to custodial funds that resulted in a restatement of amounts previously reported as agency fund liabilities to opening net position of custodial funds. Additionally, the Town has reported a Statement of Changes in Fiduciary Net Position that reflects the activity for the River Walk Public Improvement District Number 1. The following table describes the effects of the implementation of GASB 84 on beginning net position.

	Custodial Fund
Net position at October 1, 2020, as previously reported	$ -
Reclassification of agency fund to custodial fund	2,075,384
Net position at October 1, 2020, as restated	$ 2,075,384

15. SUBSEQUENT EVENTS

The Town has evaluated events and transactions for potential recognition or disclosure through March 18, 2022, the date the financial statements were available to be issued, and the Town has found no significant events to disclose.

Town of Flower Mound, Texas
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	$ 59,653,239	$ 59,653,239	$ 59,776,061	$ -	$ 59,776,061	$ 122,822
Licenses, permits and fees	2,629,375	2,629,375	2,825,866	-	2,825,866	196,491
Intergovernmental	528,825	528,825	1,196,666	-	1,196,666	667,841
Charges for services	4,726,211	4,726,211	4,030,222	-	4,030,222	(695,989)
Fines and forfeits	996,690	996,690	1,014,069	-	1,014,069	17,379
Investment earnings	180,750	180,750	36,653	-	36,653	(144,097)
Memorials and contributions	2,000	2,000	-	-	-	(2,000)
Other revenue	545,400	575,400	1,012,379	-	1,012,379	436,979
Total Revenues	69,262,490	69,292,490	69,891,916	-	69,891,916	599,426
EXPENDITURES						
Town manager's office	4,224,695	5,898,692	4,249,212	1,265	4,250,477	1,648,215
Legislative services	507,083	538,479	535,784	-	535,784	2,695
Development services	2,127,616	2,184,753	2,162,182	16,600	2,178,782	5,971
Parks & recreation services	8,761,374	8,815,199	7,843,632	272,491	8,116,123	699,076
Library Services	1,921,013	1,962,851	1,960,418	-	1,960,418	2,433
Police services	16,503,416	16,591,296	15,998,254	10,796	16,009,050	582,246
Financial services	3,816,787	3,996,869	3,673,030	1,800	3,674,830	322,039
Administrative services	6,097,612	6,555,366	6,197,054	263,994	6,461,048	94,318
Fire and emergency services	16,796,981	16,876,206	16,826,829	60,710	16,887,539	(11,333)
Communications	702,573	709,681	659,462	-	659,462	50,219
Public works	5,531,993	5,663,674	5,427,928	138,964	5,566,892	96,782
Environmental services	1,516,248	1,529,679	1,443,788	16,934	1,460,722	68,957
Total Expenditures	68,507,391	71,322,745	66,977,573	783,554	67,761,127	3,561,618
Excess (deficiency) of revenues over (under) expenditures	755,099	(2,030,255)	2,914,343	(783,554)	2,130,789	4,161,044
OTHER FINANCING SOURCES (USES)						
Transfers in	2,865,960	2,865,960	2,865,960	-	2,865,960	-
Transfers out	(315,000)	(687,955)	(687,955)	-	(687,955)	-
Total other financing sources and uses	2,550,960	2,178,005	2,178,005	-	2,178,005	-
Net change in fund balances	3,306,059	147,750	5,092,348	(783,554)	4,308,794	4,161,044
Fund balances - beginning	22,764,655	22,764,655	22,764,655	-	22,764,655	-
Fund balances - ending	$ 26,070,714	$ 22,912,405	$ 27,857,003	$(783,554)	$ 27,073,449	$ 4,161,044

TOWN OF FLOWER MOUND, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

The Town adopts an "appropriated budget" of governmental fund types on the modified accrual basis of accounting by department. The Town is required to present the adopted and final amended budgeted revenues and expenditures. The Town compares the final amended budget to actual revenues and expenditures. The General Fund budget appears on page 79 and other informational budgets are presented in the individual fund statements.

The Town Manager submits to the Town Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for all funds of the Town. At the meeting of the Town Council at which the budget is submitted, the Town Council determines the time and place of the public hearing on the budget and causes to be published a notice of the budget hearing. After the budget hearing, the budget may be adopted by a favorable vote of three of the members of the Town Council. Upon adoption, the budget is filed with the Town Secretary, the County Clerk of Denton County and the County Clerk of Tarrant County.

During the fiscal year, the Town Council may transfer funds allocated to a department to another department or re-estimate revenue or expenditures. The Town Manager may transfer budgeted funds within a department. Expenditures should not exceed appropriations at the department level, the classification level as reported in the combined financial statements except transfers out which are included for budget purposes in a Non-Departmental department.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of commitment. Unencumbered appropriations at fiscal year end lapse except for multi-year grants and/or projects. For budgeting purposes, encumbrances are treated as expenditures.

During fiscal year 2020-2021, the Town Council of the Town of Flower Mound amended the budget for the General Fund four times. The original expenditure budget was amended to increase the budget by $3,188,309.

The budget was increased by $626,512 for mid-year compensation increases distributed across all departments. Additionally, the Financial Services budget was increased by $151,160 for the Home Improvement Incentive Program. The Town Secretary's Office budget was increased by $22,080 to cover the cost of a Mayoral runoff election. The Facilities budget was increased by $320,027 for underground fuel storage tanks at two Fire Stations, Police and Jury room renovations, replacing HVAC units at the Animal Adoption Center and replacing the roof at the Central Fire Station. The Fire Department budget increased by $75,640 due to the equipment needed for the AMBUS and for a vehicle for a new position. Town Manager's Office budget increased by $800,000 to account for Council Committed funds. Non-Departmental budget also increased by $850,000 due to a lawsuit settlement. The Public Works budget was increased by $7,725 for increased street light electricity costs. Development Services budget increased by $17,500 for a new public notice signs requirement. Library Services budget increased by $15,940 due to a subscription for a library software suite. The remaining $301,725 was an increase to re-appropriate the

balances of outstanding purchase orders for items or services ordered but not received by September 30, 2020.

The revenue budget was increased with amendments by $30,000 for a new public notice signs requirement.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Changes in Net Pension Liability and Related Ratios
Last Seven Fiscal Plan Years (Previous years are not available)

	2014	2015	2016	2017	2018	2019	2020
Total pension liability:							
Service Cost	$ 4,090,390	$ 4,692,031	$ 5,117,444	$ 5,520,137	$ 5,790,170	$ 6,054,483	$ 6,574,622
Interest	6,286,051	6,874,186	7,453,691	8,218,307	9,001,156	9,813,806	10,769,532
Difference between expected and actual experience	205,066	1,205,977	1,666,086	1,175,904	1,153,606	1,679,595	388,866
Change of assumptions	-	2,074,237	-	-	-	658,746	-
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)	(4,224,414)
Net change in total pension liability	$ 8,291,109	$ 12,176,021	$ 11,234,153	$ 11,695,571	$ 12,260,492	$ 13,815,429	$ 13,508,606
Total pension liability - beginning	88,900,736	97,191,845	109,367,866	120,602,019	132,297,590	144,558,082	158,373,511
Total pension liability - Ending (a)	$ 97,191,845	$ 109,367,866	$ 120,602,019	$ 132,297,590	$ 144,558,082	$ 158,373,511	$ 171,882,117
Plan fiduciary net position:							
Contributions - Employer	$ 2,688,103	$ 3,026,380	$ 3,188,542	$ 3,767,294	$ 4,085,713	$ 4,340,811	$ 4,698,644
Contributions - Employee	2,123,871	2,248,064	2,389,176	2,579,504	2,705,159	2,844,388	3,053,905
Net Investment Income	4,852,360	135,954	6,408,566	14,374,734	(3,629,822)	18,646,488	10,776,001
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)	(4,224,414)
Administrative Expenses	(50,652)	(82,800)	(72,340)	(74,475)	(70,114)	(105,274)	(69,670)
Other	(4,164)	(4,090)	(3,898)	(3,774)	(3,664)	(3,163)	(2,717)
Net change in plan fiduciary net position	$ 7,319,120	$ 2,653,098	$ 8,906,978	$ 17,424,506	$ (597,168)	$ 21,332,049	$ 14,231,749
Plan fiduciary net position - beginning	84,806,800	92,125,920	94,779,019	103,685,997	121,110,503	120,513,335	141,845,384
Plan fiduciary net position - ending (b)	$ 92,125,920	$ 94,779,018	$ 103,685,997	$ 121,110,503	$ 120,513,335	$ 141,845,384	$ 156,077,133
Net pension liability (a)- (b)	$ 5,065,925	$ 14,588,848	$ 16,916,022	$ 11,187,087	$ 24,044,747	$ 16,528,127	$ 15,804,984
Plan fiduciary net position as a percentage of total pension liability	94.79%	86.66%	85.97%	91.54%	83.37%	89.56%	90.80%
Covered payroll	30,307,892	32,115,199	34,116,296	36,850,050	38,601,134	40,634,112	43,627,217
Net pension liability as a percentage of covered payroll	16.71%	45.43%	49.58%	30.36%	62.29%	40.68%	36.23%

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Contributions
Last Ten Fiscal Years

Fiscal Year	(1) Actuarial determined contribution	(2) Contribution in relation to the Actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered Payroll	(5) Contributions as a percentage of Covered Payroll (2) / (4)
2012	2,596,360	2,596,360	-	27,417,720	9.47%
2013	2,526,334	2,526,334	-	28,325,218	8.92%
2014	2,644,038	2,644,038	-	29,731,270	8.89%
2015	2,883,444	2,958,444	75,000	31,692,484	9.33%
2016	3,196,435	3,251,435	55,000	34,809,474	9.34%
2017	3,544,829	3,544,829	-	35,992,438	9.85%
2018	4,035,061	4,035,061	-	38,525,767	10.47%
2019	4,139,960	4,139,960	-	39,872,578	10.38%
2020	4,486,154	4,486,154	-	42,056,582	10.67%
2021	4,967,961	4,967,961	-	44,655,412	11.13%

Valuation Date:
Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later.

Methods and assumptions used to determine contribution rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll, closed
Remaining Amortization Period	24 Years
Asset Valuation Method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully general basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Supplemental Death Benefit Schedule of Changes in Total OPEB Liability and Related Ratios
Last Four Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019	2020
A. Total OPEB liability				
Service Cost	$ 58,960	$ 69,482	$ 65,015	$ 87,254
Interest (on the Total OPEB Liability)	35,744	37,812	45,898	40,278
Difference between expected and actual experience	-	84,553	(143,228)	(56,355)
Changes of assumptions	100,568	(90,860)	255,097	252,729
Benefit payments	(3,685)	(3,860)	(4,063)	(8,725)
Net change in Total OPEB liability	191,587	97,127	218,719	315,181
Total OPEB liability - beginning	917,962	1,109,549	1,206,676	1,425,395
Total OPEB liability - ending	1,109,549	1,206,676	1,425,395	1,740,576
B. Covered payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112	$ 43,627,217
C. Total OPEB liability as a percentage of covered payroll	3.01%	3.13%	3.51%	3.99%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*
- Included in the changes of assumptions for 2020 was a decrease to the discount rate from 2.75% to 2.00%.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Town of Flower Mound, Texas
Required Supplemental Information
Retiree Insurance Schedule of Changes in Total OPEB Liability and Related Ratios
Last Three Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019	2020
A. Total OPEB liability				
Service Cost	$ 84,755	$ 116,359	$ 72,917	$ 101,855
Interest (on the Total OPEB Liability)	76,129	77,152	57,328	49,091
Difference between expected and actual experience	125,269	(983,077)	(59,278)	647,915
Changes of assumptions	110,649	(821)	139,212	198,982
Benefit payments	(199,405)	39,673	13,232	17,311
Net change in Total OPEB liability	197,397	(750,714)	223,411	1,015,154
Total OPEB liability - beginning	2,055,465	2,252,862	1,502,148	1,725,559
Total OPEB liability - ending	2,252,862	1,502,148	1,725,559	2,740,713
B. Covered payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112	$ 43,627,217
C. Total OPEB liability as a percentage of covered payroll	6.11%	3.89%	4.25%	6.28%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- Included in the changes of assumptions was a decrease to the discount rate from 2.75% to 2.00%, as well as, changes to the demographic assumptions based on the 2020 TMRS Experience Study.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 10,229,994	$ 10,229,994	$ 10,100,824	$ -	$ 10,100,824	$(129,170)
Investment earnings	25,000	25,000	5,029	-	5,029	(19,971)
Other revenue	-	-	-	-	-	-
Total Revenue	10,254,994	10,254,994	10,105,853	-	10,105,853	(149,141)
EXPENDITURES						
Debt service						
Principal	8,560,000	8,560,000	6,330,000	-	6,330,000	2,230,000
Interest and fiscal charges	2,749,695	2,749,695	2,330,102	-	2,330,102	419,593
Total Expenditures	11,309,695	11,309,695	8,660,102	-	8,660,102	2,649,593
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,054,701)	(1,054,701)	1,445,751	-	1,445,751	2,500,452
OTHER FINANCING SOURCES						
Refunded bonds issued	-	-	-	-	-	-
Premium on bonds	-	-	-	-	-	-
Payment to escrow	-	-	-	-	-	-
Transfers in	2,914,175	2,914,175	272,300	-	272,300	(2,641,875)
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-	(1,000,000)	-
Total Other Financing Sources	1,914,175	1,914,175	(727,700)	-	(727,700)	(2,641,875)
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	859,474	859,474	718,051	-	718,051	(141,423)
FUND BALANCE, BEGINNING OF YEAR	1,612,369	1,612,369	1,612,369	-	1,612,369	-
FUND BALANCE, END OF YEAR	$ 2,471,843	$ 2,471,843	$ 2,330,420	$ -	$ 2,330,420	$(141,423)

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
General Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Impact fees	$ -	$ -	$ 807,008	$ -	$ 807,008	$ 807,008
Investment earnings	-	-	2,724	-	2,724	2,724
Other revenue	-	-	1,800,000	-	1,800,000	1,800,000
Total revenues	-	-	2,609,732	-	2,609,732	2,609,732
EXPENDITURES						
Current -						
Capital projects	9,269,996	12,982,584	3,762,191	(49,603)	3,712,588	9,269,996
Total Expenditures	9,269,996	12,982,584	3,762,191	(49,603)	3,712,588	9,269,996
Excess (deficiency) of revenues over (under) expenditures	(9,269,996)	(12,982,584)	(1,152,459)	49,603	(1,102,856)	11,879,728
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	1,315,000	-	1,315,000	1,315,000
Total other financing sources and uses	-	-	1,315,000	-	1,315,000	1,315,000
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(9,269,996)	(12,982,584)	162,541	49,603	212,144	13,194,728
FUND BALANCE, BEGINNING OF YEAR	24,115,263	24,115,263	24,115,263	-	24,115,263	-
FUND BALANCE, END OF YEAR	$ 14,845,267	$ 11,132,679	$ 24,277,804	$ 49,603	$ 24,327,407	$ 13,194,728

Town of Flower Mound, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue										
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure
ASSETS											
Cash and cash equivalents	$ 30,016	$ 11,340,417	$ 3,886,631	$ 1,076,832	$ 363,018	$ 5,995,559	$ 4,293,746	$ 1,006,510	$ 243,848	$ 284,936	$ 25,268
Investments	10,221	6,861,994	2,320,094	623,932	211,193	3,857,404	2,597,552	619,539	20,035	172,218	9,585
Sales tax receivable	-	-	-	-	-	651,450	651,450	651,223	649,225	-	-
Accounts receivable	-	446	-	-	-	849	-	-	-	1,530	-
Franchise fees receivable	-	-	-	-	37,492	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	376,269	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	1,819	-	-	-
Total Assets	$ 40,237	$ 18,202,857	$ 6,206,725	$ 1,700,764	$ 611,703	$ 10,881,531	$ 7,542,748	$ 2,279,091	$ 913,108	$ 458,684	$ 34,853
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts payable	$ 777	$ 437,475	$ 278,648	$ 987	$ 58	$ 410,695	$ 75,438	$ 33,475	$ 37,787	$ 139,697	$ 17,109
Retainage payable	-	136,610	101,275	-	-	147,962	29,834	-	-	56,648	-
Salaries payable	-	-	-	590	-	-	-	91,117	115,519	-	-
Interfund	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	244,454	-
Total Liabilities	777	574,085	379,923	1,577	58	558,657	105,272	124,592	153,306	440,799	17,109
Fund Balance:											
Nonspendable for:											
Prepaids	-	-	-	-	-	-	-	1,819	-	-	-
Restricted for:											
Community services	-	-	-	-	611,645	-	-	-	-	17,885	-
Community development	-	17,628,772	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	2,152,680	759,802	-	17,744
Streets	-	-	-	-	-	10,322,874	-	-	-	-	-
Parks	-	-	-	-	-	-	7,437,476	-	-	-	-
Committed for:											
Community services	39,460	-	-	1,699,187	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Parks	-	-	5,826,802	-	-	-	-	-	-	-	-
Total Fund Balance	39,460	17,628,772	5,826,802	1,699,187	611,645	10,322,874	7,437,476	2,154,499	759,802	17,885	17,744
Total Liabilities and Fund Balance	$ 40,237	$ 18,202,857	$ 6,206,725	$ 1,700,764	$ 611,703	$ 10,881,531	$ 7,542,748	$ 2,279,091	$ 913,108	$ 458,684	$ 34,853

	Special Revenue													
	IRS Equitable Sharing	Chapter 59 Seizures	Animal Care	SAFER Grant	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Truancy	Nonmajor Governmental Funds
$	108,440	$ 103,610	$ 65,431	$ -	$ -	$ -	$ 157,663	$ 1,871,318	$ 112,753	$ 83,086	$ 59,271	$ 648	$ 30,665	$ 31,139,666
	66,720	-	20,887	-	-	-	48,796	1,092,460	36,789	33,037	26,942	-	1,870	18,631,268
	-	-	-	-	-	-	-	-	-	-	-	-	-	2,603,348
	-	-	-	-	-	-	9,142	-	26,522	-	-	-	-	38,489
	-	-	-	-	-	-	-	-	-	-	-	-	-	37,492
	-	-	-	287,456	102,655	15,264	-	-	-	-	-	-	-	405,375
	-	-	-	-	-	-	-	-	-	-	-	-	-	376,269
	-	-	-	-	-	-	-	-	-	-	-	-	-	1,819
$	175,160	$ 103,610	$ 86,318	$ 287,456	$ 102,655	$ 15,264	$ 215,601	$ 2,963,778	$ 176,064	$ 116,123	$ 86,213	$ 648	$ 32,535	$ 53,233,726
$	993	$ 32,142	$ 105	$ -	$ 24,106	$ -	$ 2,860	$ -	$ 14,830	$ -	$ 99	$ -	$ -	$ 1,507,281
	-	-	-	-	-	5,000	-	-	-	-	-	-	-	477,329
	3,599	1,072	-	-	-	-	-	-	-	-	-	-	-	211,897
	-	-	-	287,456	78,549	10,264	-	-	-	-	-	-	-	376,269
	-	-	-	-	-	-	-	2,963,610	-	-	-	-	-	3,208,064
	4,592	33,214	105	287,456	102,655	15,264	2,860	2,963,610	14,830	-	99	-	-	5,780,840
	-	-	-	-	-	-	-	-	-	-	-	-	-	1,819
	-	-	-	-	-	-	-	-	161,234	-	-	-	-	790,764
	-	-	-	-	-	-	-	-	-	-	-	-	-	17,628,772
	170,568	70,396	-	-	-	-	-	-	-	116,123	86,114	648	32,535	3,406,610
	-	-	-	-	-	-	-	-	-	-	-	-	-	10,322,874
	-	-	-	-	-	-	-	-	-	-	-	-	-	7,437,476
	-	-	-	-	-	-	212,741	-	-	-	-	-	-	1,951,388
	-	-	86,213	-	-	-	-	168	-	-	-	-	-	86,381
	-	-	-	-	-	-	-	-	-	-	-	-	-	5,826,802
	170,568	70,396	86,213	-	-	-	212,741	168	161,234	116,123	86,114	648	32,535	47,452,886
$	175,160	$ 103,610	$ 86,318	$ 287,456	$ 102,655	$ 15,264	$ 215,601	$ 2,963,778	$ 176,064	$ 116,123	$ 86,213	$ 648	$ 32,535	$ 53,233,726

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue										
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure
REVENUES											
Ad valorem taxes	$ -	$ 7,019,069	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Franchise fees	-	-	-	-	155,917	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	1,184,779	-
Sales tax	-	-	-	-	-	3,616,899	3,616,899	3,586,629	3,572,159	-	-
Hotel occupancy tax	-	-	-	-	-	-	-	-	-	-	-
Licenses, permits and fees	-	-	1,275,404	115,696	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	1,243
Investment earnings	52	17,456	8,282	1,978	592	10,893	6,795	1,381	72	1,581	34
Memorials and contributions	4,600	-	2,175	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	4,652	7,036,525	1,285,861	117,674	156,509	3,627,792	3,623,694	3,588,010	3,572,231	1,186,360	1,277
EXPENDITURES											
Current											
Parks & recreation services	-	-	2,153,052	170,365	-	-	1,426,771	-	-	1,184,779	-
Library services	7,220	-	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	3,012,082	-	-	-
Financial services	-	-	-	-	-	-	-	-	-	-	-
Fire and emergency services	-	-	-	-	-	-	-	-	3,350,203	-	-
Environmental services	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	74,130	-	-	-	-	-	-
Public works	-	1,689,396	-	-	-	2,286,962	-	-	-	-	-
Debt Service	-	2,641,875	-	-	-	-	-	-	-	-	-
Total Expenditures	7,220	4,331,271	2,153,052	170,365	74,130	2,286,962	1,426,771	3,012,082	3,350,203	1,184,779	-
Excess (deficiency) of revenues over (under) expenditures	(2,568)	2,705,254	(867,191)	(52,691)	82,379	1,340,830	2,196,923	575,928	222,028	1,581	1,277
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(522,300)	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	(522,300)	-	-	-	-
Net change in fund balances	(2,568)	2,705,254	(867,191)	(52,691)	82,379	1,340,830	1,674,623	575,928	222,028	1,581	1,277
Fund balances - beginning	42,028	14,923,518	6,693,993	1,751,878	529,266	8,982,044	5,762,853	1,578,571	537,774	16,304	16,467
Fund balances - ending	$ 39,460	$ 17,628,772	$ 5,826,802	$ 1,699,187	$ 611,645	$ 10,322,874	$ 7,437,476	$ 2,154,499	$ 759,802	$ 17,885	$ 17,744

Special Revenue														
IRS Equitable Sharing	Chapter 59 Seizures	Animal Care	SAFER Grant	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Truancy	Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,019,069
-	-	-	-	-	-	-	-	-	-	-	-	-	155,917
-	-	-	1,074,091	302,879	1,531,823	-	1,083,450	-	-	-	-	-	5,177,022
-	-	-	-	-	-	-	-	-	-	-	-	-	14,392,586
-	-	-	-	-	-	-	-	302,908	-	-	-	-	302,908
-	-	-	-	-	-	-	-	-	-	-	-	-	1,391,100
-	-	-	-	-	-	69,679	-	-	-	-	-	-	69,679
-	23,566	-	-	-	-	-	-	-	34,477	28,667	683	34,164	122,800
426	-	95	-	-	-	245	1,234	130	126	102	-	23	51,497
-	-	8,179	-	-	-	-	-	-	-	-	-	-	14,954
-	-	-	-	-	2,500	-	-	-	400	-	-	-	2,900
426	23,566	8,274	1,074,091	302,879	1,534,323	69,924	1,084,684	303,038	35,003	28,769	683	34,187	28,700,432
-	-	-	-	302,879	1,519,399	-	-	236,914	-	-	-	-	6,994,159
-	-	-	-	-	-	-	-	-	-	-	-	-	7,220
244,744	12,744	1,464	-	-	29,849	-	-	-	-	-	-	-	3,300,883
-	-	-	-	-	-	-	-	-	22,102	24,075	255	12,670	59,102
-	-	-	1,432,121	-	-	-	1,086,328	-	-	-	-	-	5,868,652
-	-	-		-	-	-		-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	74,130
-	-	-	-	-	-	57,125	-	-	-	-	-	-	4,033,483
-	-	-	-	-	-	-	-	-	-	-	-	-	2,641,875
244,744	12,744	1,464	1,432,121	302,879	1,549,248	57,125	1,086,328	236,914	22,102	24,075	255	12,670	22,979,504
(244,318)	10,822	6,810	(358,030)	-	(14,925)	12,799	(1,644)	66,124	12,901	4,694	428	21,517	5,720,928
-	-	-	358,030	-	14,925	-	-	-	-	-	-	-	372,955
-	-	-	-	-	-	-	-	-	-	-	-	-	(522,300)
-	-	-	358,030	-	14,925	-	-	-	-	-	-	-	(149,345)
(244,318)	10,822	6,810	-	-	-	12,799	(1,644)	66,124	12,901	4,694	428	21,517	5,571,583
414,886	59,574	79,403	-	-	-	199,942	1,812	95,110	103,222	81,420	220	11,018	41,881,303
$ 170,568	$ 70,396	$ 86,213	$ -	$ -	$ -	$ 212,741	$ 168	$ 161,234	$ 116,123	$ 86,114	$ 648	$ 32,535	$ 47,452,886

Town of Flower Mound, Texas
Library Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Memorials and contributions	$ 15,000	$ 15,000	$ 4,600	$ -	$ 4,600	$(10,400)
Investment earnings	250	250	52	-	52	(198)
Total Revenue	15,250	15,250	4,652	-	4,652	(10,598)
EXPENDITURES						
Library services	20,000	20,000	7,220	-	7,220	12,780
Total Expenditures	20,000	20,000	7,220	-	7,220	12,780
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(4,750)	(4,750)	(2,568)	-	(2,568)	2,182
FUND BALANCE, BEGINNING OF YEAR	42,028	42,028	42,028	-	42,028	-
FUND BALANCE, END OF YEAR	$ 37,278	$ 37,278	$ 39,460	$ -	$ 39,460	$ 2,182

Town of Flower Mound, Texas
TIRZ Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP	Adjustments Budget	Actual Budget	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUE						
Taxes	$ 7,161,367	$ 7,161,367	$ 7,019,069	$ -	$ 7,019,069	$(142,298)
Investment earnings	125,000	125,000	17,456	-	17,456	(107,544)
Total Revenue	7,286,367	7,286,367	7,036,525	-	7,036,525	(249,842)
EXPENDITURES						
Public works	11,134,478	16,039,696	1,689,396	2,837,227	4,526,623	11,513,073
Debt service						
Principal	-	2,230,000	2,230,000	-	2,230,000	-
Interest and fiscal charges	-	411,875	411,875	-	411,875	-
Total Expenditures	11,134,478	18,681,571	4,331,271	2,837,227	7,168,498	11,513,073
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,848,111)	(11,395,204)	2,705,254	(2,837,227)	(131,973)	11,263,231
OTHER FINANCING SOURCES (USES)						
Transfers out	(2,641,875)	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,641,875)	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(6,489,986)	(11,395,204)	2,705,254	(2,837,227)	(131,973)	11,263,231
FUND BALANCE, BEGINNING OF YEAR	14,923,518	14,923,518	14,923,518	-	14,923,518	-
FUND BALANCE, END OF YEAR	$ 8,433,532	$ 3,528,314	$ 17,628,772	$(2,837,227)	$ 14,791,545	$ 11,263,231

Town of Flower Mound, Texas
Park Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP	Adjustments Budget	Actual Budget	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 1,275,404	$ -	1,275,404	1,275,404
Investment earnings	50,000	50,000	8,282	-	8,282	(41,718)
Memorials and contributions	-	-	2,175	-	2,175	2,175
Total Revenue	50,000	50,000	1,285,861	-	1,285,861	1,235,861
EXPENDITURES						
Parks & recreation services	2,693,556	6,382,654	2,153,052	1,502,929	3,655,981	2,726,673
Total Expenditures	2,693,556	6,382,654	2,153,052	1,502,929	3,655,981	2,726,673
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,643,556)	(6,332,654)	(867,191)	(1,502,929)	(2,370,120)	3,962,534
FUND BALANCE, BEGINNING OF YEAR	6,693,993	6,693,993	6,693,993	-	6,693,993	-
FUND BALANCE, END OF YEAR	$ 4,050,437	$ 361,339	$ 5,826,802	$(1,502,929)	$ 4,323,873	$ 3,962,534

Town of Flower Mound, Texas
Tree Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 115,696	$ -	$ 115,696	$ 115,696
Investment earnings	10,000	10,000	1,978	-	1,978	(8,022)
Total Revenue	10,000	10,000	117,674	-	117,674	107,674
EXPENDITURES						
Parks & recreation services	314,415	323,762	170,365	3,500	173,865	149,897
Total Expenditures	314,415	323,762	170,365	3,500	173,865	149,897
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(304,415)	(313,762)	(52,691)	(3,500)	(56,191)	257,571
FUND BALANCE, BEGINNING OF YEAR	1,751,878	1,751,878	1,751,878	-	1,751,878	-
FUND BALANCE, END OF YEAR	$ 1,447,463	$ 1,438,116	$ 1,699,187	$(3,500)	$ 1,695,687	$ 257,571

Town of Flower Mound, Texas
PEG Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Franchise fees	$ 165,000	$ 165,000	$ 155,917	$ -	$ 155,917	$(9,083)
Investment earnings	1,500	1,500	592	-	592	(908)
Total Revenue	166,500	166,500	156,509	-	156,509	(9,991)
EXPENDITURES						
Communications	673,225	673,225	74,130	-	74,130	599,095
Total Expenditures	673,225	673,225	74,130	-	74,130	599,095
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(506,725)	(506,725)	82,379	-	82,379	589,104
FUND BALANCE, BEGINNING OF YEAR	529,266	529,266	529,266	-	529,266	-
FUND BALANCE, END OF YEAR	$ 22,541	$ 22,541	$ 611,645	$ -	$ 611,645	$ 589,104

Town of Flower Mound, Texas
Dedicated Sales Tax - Street Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,367,000	$ 3,367,000	$ 3,616,899	$ -	$ 3,616,899	$ 249,899
Investment earnings	50,000	50,000	10,893	-	10,893	(39,107)
Total Revenue	3,417,000	3,417,000	3,627,792	-	3,627,792	210,792
EXPENDITURES						
Public works	7,893,461	11,203,332	2,286,962	450,309	2,737,271	8,466,061
Total Expenditures	7,893,461	11,203,332	2,286,962	450,309	2,737,271	8,466,061
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(4,476,461)	(7,786,332)	1,340,830	(450,309)	890,521	8,676,853
FUND BALANCE, BEGINNING OF YEAR	8,982,044	8,982,044	8,982,044	-	8,982,044	-
FUND BALANCE, END OF YEAR	$ 4,505,583	$ 1,195,712	$ 10,322,874	$(450,309)	$ 9,872,565	$ 8,676,853

Town of Flower Mound, Texas
Dedicated Sales Tax - Parks 4B Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,367,000	$ 3,367,000	$ 3,616,899	$ -	$ 3,616,899	$ 249,899
Investment earnings	25,000	25,000	6,795	-	6,795	(18,205)
Total Revenue	3,392,000	3,392,000	3,623,694	-	3,623,694	231,694
EXPENDITURES						
Parks & recreation services	4,810,746	7,790,529	1,426,771	2,304,460	3,731,231	4,059,298
Total Expenditures	4,810,746	7,790,529	1,426,771	2,304,460	3,731,231	4,059,298
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,418,746)	(4,398,529)	2,196,923	(2,304,460)	(107,537)	4,290,992
OTHER FINANCING SOURCES (USES)						
Ttransfer out	(522,300)	(522,300)	(522,300)	-	(522,300)	-
Total Other Financing Sources (Uses)	(522,300)	(522,300)	(522,300)	-	(522,300)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,941,046)	(4,920,829)	1,674,623	(2,304,460)	(629,837)	4,290,992
FUND BALANCE, BEGINNING OF YEAR	5,762,853	5,762,853	5,762,853	-	5,762,853	-
FUND BALANCE, END OF YEAR	$ 3,821,807	$ 842,024	$ 7,437,476	$(2,304,460)	$ 5,133,016	$ 4,290,992

Town of Flower Mound, Texas
Dedicated Sales Tax - Crime District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,350,165	$ 3,350,165	$ 3,586,629	$ -	$ 3,586,629	$ 236,464
Investment earnings	5,000	5,000	1,381	-	1,381	(3,619)
Other revenue	-	-	-	-	-	-
Total Revenue	3,355,165	3,355,165	3,588,010	-	3,588,010	232,845
EXPENDITURES						
Police services	3,208,899	3,308,307	3,012,082	16,073	3,028,155	280,152
Total Expenditures	3,208,899	3,308,307	3,012,082	16,073	3,028,155	280,152
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	146,266	46,858	575,928	(16,073)	559,855	512,997
FUND BALANCE, BEGINNING OF YEAR	1,578,571	1,578,571	1,578,571	-	1,578,571	-
FUND BALANCE, END OF YEAR	$ 1,724,837	$ 1,625,429	$ 2,154,499	$(16,073)	$ 2,138,426	$ 512,997

Town of Flower Mound, Texas
Dedicated Sales Tax - Fire District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,333,330	$ 3,333,330	$ 3,572,159	$ -	$ 3,572,159	$ 238,829
Investment earnings	-	-	72	-	72	72
Other revenue	-	-	-		-	-
Total Revenue	3,333,330	3,333,330	3,572,231	-	3,572,231	238,901
EXPENDITURES						
Fire and emergency services	3,184,103	3,357,585	3,350,203	-	3,350,203	7,382
Total Expenditures	3,184,103	3,357,585	3,350,203	-	3,350,203	7,382
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	149,227	(24,255)	222,028	-	222,028	246,283
FUND BALANCE, BEGINNING OF YEAR	537,774	537,774	537,774	-	537,774	-
FUND BALANCE, END OF YEAR	$ 687,001	$ 513,519	$ 759,802	$ -	$ 759,802	$ 246,283

Town of Flower Mound, Texas
Flower Mound Log Cabin Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 4,000	$ 4,000	$ 1,581	$ -	$ 1,581	$(2,419)
Intergovernmental	-	1,429,233	1,184,779	-	1,184,779	(244,454)
Total Revenue	4,000	1,433,233	1,186,360	-	1,186,360	(246,873)
EXPENDITURES						
Parks & recreation services	-	1,429,233	1,184,779	236,880	1,421,659	7,574
Total Expenditures	-	1,429,233	1,184,779	236,880	1,421,659	7,574
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	4,000	4,000	1,581	(236,880)	(235,299)	(239,299)
FUND BALANCE, BEGINNING OF YEAR	16,304	16,304	16,304	-	16,304	-
FUND BALANCE, END OF YEAR	$ 20,304	$ 20,304	$ 17,885	$(236,880)	$(218,995)	$(239,299)

Town of Flower Mound, Texas
Police Seizure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 100	$ 100	$ 34	$ -	$ 34	$(66)
Fines and forfeitures	-	-	1,243	-	1,243	1,243
Other revenue	-	-	-	-	-	-
Memorials and contributions	-	-	-	-	-	-
Total Revenue	100	100	1,277	-	1,277	1,177
EXPENDITURES						
Police services	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	100	100	1,277	-	1,277	1,177
FUND BALANCE, BEGINNING OF YEAR	16,467	16,467	16,467	-	16,467	-
FUND BALANCE, END OF YEAR	$ 16,567	$ 16,567	$ 17,744	$ -	$ 17,744	$ 1,177

Town of Flower Mound, Texas
IRS Equitable Sharing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 2,000	$ 2,000	$ 426	$ -	$ 426	$(1,574)
Total Revenue	2,000	2,000	426	-	426	(1,574)
EXPENDITURES						
Police services	347,807	404,072	244,744	90,907	335,651	68,421
Total Expenditures	347,807	404,072	244,744	90,907	335,651	68,421
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(345,807)	(402,072)	(244,318)	(90,907)	(335,225)	66,847
FUND BALANCE, BEGINNING OF YEAR	414,886	414,886	414,886	-	414,886	-
FUND BALANCE, END OF YEAR	$ 69,079	$ 12,814	$ 170,568	$(90,907)	$ 79,661	$ 66,847

Town of Flower Mound, Texas
Chapter 59 Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ 23,566	$ -	$ 23,566	$ 23,566
Total Revenue	-	-	23,566	-	23,566	23,566
EXPENDITURES						
Police services	55,000	55,000	12,744	-	12,744	42,256
Total Expenditures	55,000	55,000	12,744	-	12,744	42,256
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(55,000)	(55,000)	10,822	-	10,822	65,822
FUND BALANCE, BEGINNING OF YEAR	59,574	59,574	59,574	-	59,574	-
FUND BALANCE, END OF YEAR	$ 4,574	$ 4,574	$ 70,396	$ -	$ 70,396	$ 65,822

Town of Flower Mound, Texas
Animal Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 300	$ 300	$ 95	$ -	$ 95	$(205)
Memorials and contributions	10,000	10,000	8,179	-	8,179	(1,821)
Total Revenue	10,300	10,300	8,274	-	8,274	(2,026)
EXPENDITURES						
Police services	31,500	31,500	1,464	-	1,464	30,036
Total Expenditures	31,500	31,500	1,464	-	1,464	30,036
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(21,200)	(21,200)	6,810	-	6,810	28,010
FUND BALANCE, BEGINNING OF YEAR	79,403	79,403	79,403	-	79,403	-
FUND BALANCE, END OF YEAR	$ 58,203	$ 58,203	$ 86,213	$ -	$ 86,213	$ 28,010

Town of Flower Mound, Texas
SAFER Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ -	$ 2,239,218	$ 1,074,091	$ -	$ 1,074,091	$(1,165,127)
Other Revenue	-	-	-	-	-	-
Total Revenue	-	2,239,218	1,074,091	-	1,074,091	(1,165,127)
EXPENDITURES						
Fire and emergency services	-	3,783,760	1,432,121	-	1,432,121	2,351,639
Financial Services	-	-	-	-	-	-
Total Expenditures	-	3,783,760	1,432,121	-	1,432,121	2,351,639
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(1,544,542)	(358,030)	-	(358,030)	1,186,512
OTHER FINANCING SOURCES (USES)						
Transfer In	-	1,544,542	358,030	-	358,030	(1,186,512)
Total Other Financing Sources (Uses)	-	1,544,542	358,030	-	358,030	(1,186,512)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -	$ -	$ -

Town of Flower Mound, Texas
CDBG-HUD Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ 211,786	$ 554,732	$ 302,879	$ -	$ 302,879	$(251,853)
Total Revenue	211,786	554,732	302,879	-	302,879	(251,853)
EXPENDITURES						
Parks & recreation services	211,786	625,639	302,879	5,478	308,357	317,282
Total Expenditures	211,786	625,639	302,879	5,478	308,357	317,282
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(70,907)	-	(5,478)	(5,478)	65,429
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$(70,907)	$ -	$(5,478)	$(5,478)	$ 65,429

Town of Flower Mound, Texas
Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ 3,771,597	$ 1,531,823	$ -	$ 1,531,823	$(2,239,774)
Other revenue	-	2,500	2,500	-	2,500	-
Total Revenue	-	3,774,097	1,534,323	-	1,534,323	(2,239,774)
EXPENDITURES						
Parks & recreation services	-	3,693,524	1,519,399	-	1,519,399	2,174,125
Police services	-	32,108	29,849	-	29,849	2,259
Library services	-	9,140	-	-	-	9,140
Public Works	-	54,250	-	-	-	54,250
Total Expenditures	-	3,789,022	1,549,248	-	1,549,248	2,239,774
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(14,925)	(14,925)	-	(14,925)	-
OTHER FINANCING SOURCES (USES)						
Transfer in	-	14,925	14,925	-	14,925	-
Total Other Financing Sources (Uses)	-	14,925	14,925	-	14,925	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -	$ -	$ -

Town of Flower Mound, Texas
Neighborhood Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Charges for services	$ 60,200	$ 60,200	$ 69,679	$ -	$ 69,679	$ 9,479
Investment earnings	700	700	245	-	245	(455)
Other revenue	-	-	-	-	-	-
Total Revenue	60,900	60,900	69,924	-	69,924	9,024
EXPENDITURES						
Public works	120,000	150,856	57,125	60,484	117,609	33,247
Total Expenditures	120,000	150,856	57,125	60,484	117,609	33,247
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(59,100)	(89,956)	12,799	(60,484)	(47,685)	42,271
FUND BALANCE, BEGINNING OF YEAR	199,942	199,942	199,942	-	199,942	-
FUND BALANCE, END OF YEAR	$ 140,842	$ 109,986	$ 212,741	$(60,484)	$ 152,257	$ 42,271

Town of Flower Mound, Texas
COVID-19 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ 1,083,450	$ 1,083,450	$ -	$ 1,083,450	$ -
Investment earnings	-	-	1,234	-	1,234	1,234
Total Revenue	-	1,083,450	1,084,684	-	1,084,684	1,234
EXPENDITURES						
Fire and emergency services	-	1,086,331	1,086,328	-	1,086,328	3
Total Expenditures	-	1,086,331	1,086,328	-	1,086,328	3
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(2,881)	(1,644)	-	(1,644)	1,237
FUND BALANCE, BEGINNING OF YEAR	1,812	1,812	1,812	-	1,812	-
FUND BALANCE, END OF YEAR	$ 1,812	$(1,069)	$ 168	$ -	$ 168	$ 1,237

Town of Flower Mound, Texas
Hotel Occupancy Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Hotel occupancy tax	$ 370,000	$ 370,000	$ 302,908	$ -	$ 302,908	$(67,092)
Investment earnings	500	500	130	-	130	(370)
Total Revenue	370,500	370,500	303,038	-	303,038	(67,462)
EXPENDITURES						
Parks & recreation services	340,000	340,000	236,914	-	236,914	103,086
Total Expenditures	340,000	340,000	236,914	-	236,914	103,086
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	30,500	30,500	66,124	-	66,124	35,624
FUND BALANCE, BEGINNING OF YEAR	95,110	95,110	95,110	-	95,110	-
FUND BALANCE, END OF YEAR	$ 125,610	$ 125,610	$ 161,234	$ -	$ 161,234	$ 35,624

Town of Flower Mound, Texas
Municipal Court Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 20,125	$ 20,125	$ 34,477	$ -	$ 34,477	$ 14,352
Investment earnings	450	450	126	-	126	(324)
Other revenue	-	-	400	-	400	400
Total Revenue	20,575	20,575	35,003	-	35,003	14,428
EXPENDITURES						
Financial services	36,100	36,100	22,102	-	22,102	13,998
Total Expenditures	36,100	36,100	22,102	-	22,102	13,998
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(15,525)	(15,525)	12,901	-	12,901	28,426
FUND BALANCE, BEGINNING OF YEAR	103,222	103,222	103,222	-	103,222	-
FUND BALANCE, END OF YEAR	$ 87,697	$ 87,697	$ 116,123	$ -	$ 116,123	$ 28,426

Town of Flower Mound, Texas
Municipal Court Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 23,300	$ 23,300	$ 28,667	$ -	$ 28,667	$ 5,367
Investment earnings	450	450	102	-	102	(348)
Total Revenue	23,750	23,750	28,769	-	28,769	5,019
EXPENDITURES						
Financial services	34,515	34,515	24,075	-	24,075	10,440
Total Expenditures	34,515	34,515	24,075	-	24,075	10,440
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(10,765)	(10,765)	4,694	-	4,694	15,459
FUND BALANCE, BEGINNING OF YEAR	81,420	81,420	81,420	-	81,420	-
FUND BALANCE, END OF YEAR	$ 70,655	$ 70,655	$ 86,114	$ -	$ 86,114	$ 15,459

Town of Flower Mound, Texas
Municipal Court Jury Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 340	$ 340	$ 683	$ -	$ 683	$ 343
Total Revenue	340	340	683	-	683	343
EXPENDITURES						
Financial services	255	255	255	-	255	-
Total Expenditures	255	255	255	-	255	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	85	85	428	-	428	343
FUND BALANCE, BEGINNING OF YEAR	220	220	220	-	220	-
FUND BALANCE, END OF YEAR	$ 305	$ 305	$ 648	$ -	$ 648	$ 343

Town of Flower Mound, Texas
Municipal Court Truancy Prevention Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 16,900	$ 16,900	$ 34,164	$ -	$ 34,164	$ 17,264
Investment earnings	-	-	23	-	23	23
Total Revenue	16,900	16,900	34,187	-	34,187	17,287
EXPENDITURES						
Financial services	12,670	12,670	12,670	-	12,670	-
Total Expenditures	12,670	12,670	12,670	-	12,670	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	4,230	4,230	21,517	-	21,517	17,287
FUND BALANCE, BEGINNING OF YEAR	11,018	11,018	11,018	-	11,018	-
FUND BALANCE, END OF YEAR	$ 15,248	$ 15,248	$ 32,535	$ -	$ 32,535	$ 17,287

Town of Flower Mound, Texas
Combining Statement of Net Position
All Internal Service Funds
September 30, 2021

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,510,472	$ 7,543,321	$ 10,053,793
Investments	1,713,608	4,597,580	6,311,188
Receivables (net of allowances for estimated uncollectibles):			
Accounts	355,603		355,603
Total current assets	4,579,683	12,140,901	16,720,584
Total Assets	4,579,683	12,140,901	16,720,584
LIABILITIES			
Current liabilities:			
Accounts payable	2,581	58,893	61,474
Estimated health claims	1,354,884	-	1,354,884
Total current liabilities	1,357,465	58,893	1,416,358
Total Liabilities	1,357,465	58,893	1,416,358
NET POSITION			
Unrestricted	3,222,218	12,082,008	15,304,226
Total net position	$ 3,222,218	$ 12,082,008	$ 15,304,226

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
All Internal Service Funds
For the Year Ended September 30, 2021

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
Operating revenues:			
Charges for services	$ 10,487,925	$ 2,941,719	$ 13,429,644
Other	-	201,766	201,766
Total operating revenue	10,487,925	3,143,485	13,631,410
Operating expenses:			
Maintenance and operations	-	2,095,014	2,095,014
Health insurance and flexible benefits	11,208,084	-	11,208,084
Total operating expenses	11,208,084	2,095,014	13,303,098
Operating income	(720,159)	1,048,471	328,312
Nonoperating revenues (expenses):			
Interest income	5,849	13,141	18,990
Total nonoperating revenue (expenses)	5,849	13,141	18,990
Income before contributions and transfers	(714,310)	1,061,612	347,302
Transfers in	-	-	-
Change in net position	(714,310)	1,061,612	347,302
Total net position - beginning	3,936,528	11,020,396	14,956,924
Total net position - ending	$ 3,222,218	$ 12,082,008	$ 15,304,226

Town of Flower Mound, Texas
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended September 30, 2021

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from transactions with other funds	$ 10,454,761	$ 3,143,485	$ 13,598,246
Cash paid for goods and services	(4,665,913)	(2,036,121)	(6,702,034)
Cash paid for claims	(6,503,446)	-	(6,503,446)
Net cash provided (used) by operating activities	(714,598)	1,107,364	392,766
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturities of investment securities	2,230,717	1,830,250	4,060,967
Purchase of investment securities	(1,229,073)	(421,570)	(1,650,643)
Interest received	5,849	13,141	18,990
Net cash provided (used) by investing activities	1,007,493	1,421,821	2,429,314
Net increase in cash and cash equivalents	292,895	2,529,185	2,822,080
Cash and cash equivalents, October 1	2,217,577	5,014,136	7,231,713
Cash and cash equivalents, September 30	$ 2,510,472	$ 7,543,321	$ 10,053,793
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ (720,159)	$ 1,048,471	$ 328,312
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Change in assets and liabilities			
Decrease (Increase) in trade receivables	(33,164)	-	(33,164)
Increase (Decrease) in accounts payable and accrued liabilities	38,725	58,893	97,618
Total adjustments	5,561	58,893	64,454
Net cash provided by operating activities	$ (714,598)	$ 1,107,364	$ 392,766

TOWN OF FLOWER MOUND, TEXAS
STATISTICAL SECTION

This part of the Town of Flower Mound's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends 122

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 130

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 136

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 141

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 142

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Town of Flower Mound, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities				
Net investment in capital assets	$ 172,020,155	$ 174,861,739	$ 175,530,741	$ 188,789,944
Restricted	17,757,582	20,180,671	23,945,799	25,308,366
Unrestricted	25,267,896	27,409,576	29,465,747	31,910,667
Total governmental activities net position	$ 215,045,633	$ 222,451,986	$ 228,942,287	$ 246,008,977
Business-type activities				
Net investment in capital assets	$ 102,005,067	$ 106,498,263	$ 110,430,392	$ 118,357,125
Restricted	1,223,727	1,223,917	1,226,993	1,227,110
Unrestricted	12,590,602	17,123,746	17,731,386	19,427,428
Total business-type activities net position	$ 115,819,396	$ 124,845,926	$ 129,388,771	$ 139,011,663
Primary government				
Net investment in capital assets	$ 274,025,222	$ 281,360,002	$ 285,961,133	$ 307,147,069
Restricted	18,981,309	21,404,588	25,172,792	26,535,476
Unrestricted	37,858,498	44,533,322	47,197,133	51,338,095
Total primary government net position	$ 330,865,029	$ 347,297,912	$ 358,331,058	$ 385,020,640

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 202,543,406	$ 230,421,353	$ 271,744,498	$ 274,850,281	$ 284,502,370	$ 295,048,373
27,217,009	36,676,874	40,469,469	42,179,244	45,967,635	53,616,906
28,577,413	16,371,786	8,344,796	30,563,245	32,776,066	39,178,699
$ 258,337,828	$ 283,470,013	$ 320,558,763	$ 347,592,770	$ 363,246,071	$ 387,843,978
$ 126,551,908	$ 138,553,283	$ 145,749,885	$ 143,033,465	$ 146,438,852	$ 150,778,480
-	-	-	21,457,609	24,814,356	27,003,287
18,002,680	16,986,793	21,282,106	11,607,987	11,992,793	10,911,823
$ 144,554,588	$ 155,540,076	$ 167,031,991	$ 176,099,061	$ 183,246,001	$ 188,693,590
$ 329,095,314	$ 368,974,636	$ 417,494,383	$ 417,883,746	$ 430,941,222	$ 445,826,853
27,217,009	36,676,874	40,469,469	63,636,853	70,781,991	80,620,193
46,580,093	33,358,579	29,626,902	42,171,232	44,768,859	50,090,522
$ 402,892,416	$ 439,010,089	$ 487,590,754	$ 523,691,831	$ 546,492,072	$ 576,537,568

Town of Flower Mound, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
Town manager's office	$ 2,225,089	$ 2,956,131	$ 2,648,162	$ 2,710,185
Legislative services	577,174	449,368	368,095	420,248
Development services	1,787,947	1,468,228	2,123,293	2,127,945
Parks & recreation services	9,815,410	5,267,225	11,264,282	13,099,658
Library services	-	-	-	-
Police services	12,620,079	12,933,686	13,667,054	13,636,237
Financial services	2,499,834	3,018,407	3,507,742	3,410,121
Administrative services	-	4,294,715	4,310,194	5,401,704
Fire and emergency services	7,011,824	11,547,693	12,504,864	13,404,744
Communications	703,379	759,179	747,360	835,127
Public works	19,164,674	16,262,619	12,291,758	1,480,041
Environmental services	-	1,236,085	1,173,832	1,309,252
Interest on long-term debt	3,937,428	2,891,717	1,758,611	2,048,454
Total governmental activities expenses	60,342,838	63,085,053	66,365,247	59,883,716
Business-type activities:				
Utilities	35,125,994	33,724,163	35,419,015	37,704,865
Total business-type activities expenses	35,125,994	33,724,163	35,419,015	37,704,865
Total primary government expenses	$ 95,468,832	$ 96,809,216	$ 101,784,262	$ 97,588,581
Program Revenues				
Governmental activities:				
Charges for services:				
Town manager's office	$ -	$ -	$ 2,500	$ -
Legislative services	17,000	16,772	16,365	13,917
Development services	1,256,583	1,412,470	1,687,584	2,047,297
Parks & recreation services	2,418,121	2,169,119	2,188,035	2,300,345
Library services	-	-	-	-
Police services	328,074	344,166	399,995	441,151
Financial services	1,231,702	1,139,421	1,079,118	939,602
Fire and emergency services	682,030	666,312	781,113	892,032
Public works	143,719	655,318	532,904	442,777
Environmental services	-	436,823	426,704	458,834
Operating grants and contributions	1,370,171	872,869	2,000,918	2,248,278
Capital grants and contributions	6,950,033	4,711,880	2,081,922	2,313,210
Total governmental activities program revenues	14,397,433	12,425,150	11,197,158	12,097,443
Business-type activities:				
Charges for services:				
Utilities	35,480,457	37,326,725	37,854,941	37,913,395
Capital grants and contributions	2,752,595	7,267,043	4,732,349	9,822,924
Total business-type activities program revenues	38,233,052	44,593,768	42,587,290	47,736,319
Total primary government program revenues	$ 52,630,485	$ 57,018,918	$ 53,784,448	$ 59,833,762
Net (expense)/revenue				
Governmental activities	$ (45,945,405)	$ (50,659,903)	$ (55,168,089)	$ (47,786,273)
Business-type activities	3,107,058	10,869,605	7,168,275	10,031,454
Total primary government net expense	$ (42,838,347)	$ (39,790,298)	$ (47,999,814)	$ (37,754,819)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 31,932,907	$ 32,193,718	$ 33,798,797	$ 36,055,874
Sales tax	15,915,949	17,146,819	18,583,674	20,559,174
Occupancy tax	-	-	1,012	142
Franchise tax	5,049,148	5,021,948	6,005,446	6,351,221
Alcoholic beverage taxes	99,521	106,426	141,822	157,443
Investment earnings	160,366	175,524	85,606	87,924
Miscellaneous	945,387	1,404,910	1,807,192	1,516,422
Transfers	1,571,639	2,016,911	2,091,892	2,017,494
Total governmental activities	55,674,917	58,066,256	62,515,441	66,745,694
Business-type activities:				
Investment earnings	46,397	53,425	29,734	35,434
Miscellaneous	217,412	120,411	346,657	1,841,791
Transfers	(1,571,639)	(2,016,911)	(2,091,892)	(2,017,494)
Total business-type activities	(1,307,830)	(1,843,075)	(1,715,501)	(140,269)
Total primary government	$ 54,367,087	$ 56,223,181	$ 60,799,940	$ 66,605,425
Change in Net Position				
Governmental activities	$ 9,729,512	$ 7,406,353	$ 7,347,352	$ 18,959,421
Business-type activities	1,799,228	9,026,530	5,452,774	9,891,185
Total primary government	$ 11,528,740	$ 16,432,883	$ 12,800,126	$ 28,850,606

Note: Library Services was previously included with Community Services prior to fiscal year 2019.

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 2,794,319	$ 2,931,578	$ 3,201,156	$ 3,273,180	$ 3,454,566	$ 4,298,875
452,165	664,969	1,041,158	524,126	506,395	535,517
2,190,178	2,293,593	3,056,531	1,983,306	2,187,528	2,218,168
7,220,132	13,082,357	6,743,384	12,344,192	7,053,088	15,329,914
-	-	-	1,896,889	1,943,000	1,997,725
14,942,215	15,684,683	17,070,265	18,964,282	17,946,700	19,575,430
3,619,248	3,655,549	2,584,378	4,000,678	4,392,826	3,181,737
5,490,036	5,883,895	5,870,601	6,038,018	6,508,843	6,278,393
16,043,210	17,298,859	16,762,366	20,916,756	20,719,163	23,087,386
816,871	784,921	736,150	806,512	784,176	749,660
18,685,536	12,763,676	16,572,455	10,155,359	24,568,733	15,315,949
1,417,981	1,514,141	1,515,323	1,487,918	1,509,345	1,491,166
2,166,224	1,976,019	2,510,411	2,449,547	2,332,467	2,015,265
75,838,115	78,534,240	77,664,178	84,840,763	93,906,830	96,075,185
41,019,967	39,100,879	43,265,124	42,723,810	45,970,592	47,920,418
41,019,967	39,100,879	43,265,124	42,723,810	45,970,592	47,920,418
$ 116,858,082	$ 117,635,119	$ 120,929,302	$ 127,564,573	$ 139,877,422	$ 143,995,603
$ 99,045	$ 26,399	$ 37,807	$ 23,847	$ 24,000	$ -
16,314	25,308	23,448	25,519	27,973	26,457
2,041,912	2,360,325	2,310,183	2,157,785	2,382,693	2,562,484
2,340,095	2,389,950	3,984,991	3,657,765	2,616,256	4,115,136
-	-	-	-	-	64,655
448,882	516,711	536,449	906,899	946,479	1,058,012
829,306	1,014,759	1,309,723	1,100,410	718,172	1,037,078
878,476	1,306,594	1,342,585	1,521,255	1,520,388	1,529,381
780,723	533,319	381,088	438,973	427,204	97,545
486,364	483,490	435,039	207,400	222,902	240,533
1,561,498	2,667,162	374,203	183,013	2,239,746	2,313,000
9,079,280	15,883,383	22,774,091	13,214,793	8,183,369	12,039,573
18,561,895	27,207,400	33,509,607	23,437,659	19,309,182	25,083,854
39,717,976	42,267,497	46,091,632	42,418,217	46,600,326	48,509,922
8,098,696	9,222,359	9,988,175	9,103,720	7,382,266	7,029,200
47,816,672	51,489,856	56,079,807	51,521,937	53,982,592	55,539,122
$ 66,378,567	$ 78,697,256	$ 89,589,414	$ 74,959,596	$ 73,291,774	$ 80,622,976
$ (57,276,220)	$ (51,326,840)	$ (44,154,571)	$ (61,403,104)	$ (74,597,648)	$ (70,991,331)
6,796,705	12,388,977	12,814,683	8,798,127	8,012,000	7,618,704
$ (50,479,515)	$ (38,937,863)	$ (31,339,888)	$ (52,604,977)	$ (66,585,648)	$ (63,372,627)
$ 39,266,228	$ 43,632,879	$ 47,498,500	$ 51,056,486	$ 54,639,637	$ 56,852,372
21,459,819	23,612,871	24,282,172	25,286,435	25,360,411	28,861,624
-	4,151	295,026	348,307	251,204	302,908
5,810,150	5,617,437	6,082,737	6,370,168	5,688,313	5,521,016
210,589	217,777	253,845	245,537	216,980	322,451
277,366	710,654	1,768,842	2,791,043	1,417,681	114,893
698,314	662,960	967,743	1,120,705	787,908	1,011,374
1,882,605	2,000,296	2,009,653	1,218,430	1,888,815	2,602,600
69,605,071	76,459,025	83,158,518	88,437,111	90,250,949	95,589,238
105,338	275,492	627,308	1,097,353	643,619	37,797
523,487	321,315	369,510	390,020	380,136	393,688
(1,882,605)	(2,000,296)	(2,009,653)	(1,218,430)	(1,888,815)	(2,602,600)
(1,253,780)	(1,403,489)	(1,012,835)	268,943	(865,060)	(2,171,115)
$ 68,351,291	$ 75,055,536	$ 82,145,683	$ 88,706,054	$ 89,385,889	$ 93,418,123
$ 12,328,851	$ 25,132,185	$ 39,003,947	$ 27,034,007	$ 15,653,301	$ 24,597,907
5,542,925	10,985,488	11,801,848	9,067,070	7,146,940	5,447,589
$ 17,871,776	$ 36,117,673	$ 50,805,795	$ 36,101,077	$ 22,800,241	$ 30,045,496

Town of Flower Mound, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
General fund				
Nonspendable	$ 242,213	$ 294,020	$ 240,930	$ 336,250
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	10,824,943	13,882,263	15,893,121	16,553,717
Total general fund	$ 11,067,156	$ 14,176,283	$ 16,134,051	$ 16,889,967
All other governmental funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	19,548,584	22,185,637	25,212,644	32,125,157
Committed	4,069,793	4,095,764	5,072,505	5,457,481
Unassigned	(8,007)	(8,007)	-	3,081,272
Total all other governmental funds	$ 23,610,370	$ 26,273,394	$ 30,285,149	$ 40,663,910

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 927,238	$ 604,846	$ 743,791	$ 655,344	$ 654,839	$ 768,565
-	-	-	400,000	800,000	393,870
-	-	2,146,865	3,745,079	-	-
15,256,717	16,493,062	16,053,558	16,670,607	21,309,816	26,694,568
$ 16,183,955	$ 17,097,908	$ 18,944,214	$ 21,471,030	$ 22,764,655	$ 27,857,003
$ -	$ -	$ -	$ -	$ -	$ 1,819
34,876,744	59,384,479	63,258,446	62,512,244	53,372,864	58,859,863
6,251,679	7,733,984	9,848,445	10,032,496	14,236,071	15,199,428
3,794,488	-	-	-	-	-
$ 44,922,911	$ 67,118,463	$ 73,106,891	$ 72,544,740	$ 67,608,935	$ 74,061,110

Town of Flower Mound, Texas
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
Revenues				
Taxes				
Ad valorem	$ 31,955,742	$ 32,159,454	$ 33,708,595	$ 36,027,958
Sales	15,915,949	17,146,819	18,583,674	20,559,174
Franchise	5,057,676	6,559,151	5,876,564	6,263,322
Alcoholic beverage	99,521	106,426	141,822	157,443
Hotel Occupancy	-	-	1,012	142
Licenses, permits and fees	1,879,265	2,036,212	2,491,454	2,660,155
Intergovernmental	6,697,246	3,066,415	1,058,702	810,727
Impact fees	1,034,920	1,904,763	1,736,534	2,064,618
Charges for services	2,753,398	3,392,698	3,369,519	3,526,909
Fines and forfeits	1,303,429	1,119,096	1,123,235	2,008,030
Investment earnings	131,535	142,529	71,183	74,421
Memorials and contributions	611,182	505,242	1,396,978	1,069,943
Other revenue	1,090,330	1,666,560	1,813,713	1,534,940
Total revenues	68,530,193	69,805,365	71,372,985	76,757,782
Expenditures				
Current				
Administrative services	-	4,079,982	4,235,855	5,336,457
Town manager's office	2,208,400	2,958,456	2,635,992	2,690,460
Legislative services	419,296	438,717	358,625	408,533
Development services	1,481,455	1,543,838	1,870,022	1,923,021
Parks & recreation services	9,207,716	9,048,666	10,141,048	14,133,521
Library services	-	-	-	-
Police services	11,590,875	12,159,009	12,839,258	14,607,856
Financial services	7,337,097	3,206,447	3,238,724	3,297,105
Fire and Emergency services	10,021,633	10,676,869	12,066,007	13,153,346
Communications	699,662	844,341	748,135	827,105
Infrastructure services	6,852,539	-	-	-
Public works	-	5,380,029	6,170,269	4,968,970
Environmental services	-	1,193,517	1,153,293	1,283,872
Capital projects	7,639,100	7,488,000	2,423,620	3,421,644
Debt service				
Principal	5,090,000	5,620,000	5,885,000	6,365,000
Interest and fiscal charges	3,335,658	2,983,902	3,196,560	4,974,162
Total expenditures	65,883,431	67,621,773	66,962,408	77,391,052
Excess of revenues over (under) expenditures	2,646,762	2,183,592	4,410,577	(633,270)
Other financing sources (uses)				
Issuance of general debt obligation		2,940,000	460,000	6,985,000
Refunded bonds issued	4,360,000	2,015,000	5,245,000	20,170,000
Premium on bonds	151,390	215,430	495,142	3,396,053
Payment to escrow	(4,653,356)	(2,015,000)	(5,245,000)	(20,170,000)
Transfers in	4,093,735	3,547,395	3,223,159	2,398,358
Transfers out	(4,479,905)	(3,114,266)	(2,619,355)	(1,011,464)
Total other financing sources (uses)	(528,136)	3,588,559	1,558,946	11,767,947
Net change in fund balances	$ 2,118,626	$ 5,772,151	$ 5,969,523	$ 11,134,677
Debt service as a percentage of noncapital expenditures	16.41%	15.81%	16.28%	19.08%

Fiscal Year						
2016	2017	2018	2019	2020	2021
$ 39,190,207	$ 43,677,863	$ 47,496,936	$ 51,054,324	$ 54,486,676	$ 56,731,921
21,459,819	23,612,871	24,282,172	25,286,435	25,360,411	28,861,624
5,810,149	5,741,937	6,050,502	6,174,213	5,812,400	5,528,461
210,589	217,777	253,845	245,537	216,980	322,451
-	4,151	295,026	348,307	251,204	302,908
2,884,561	4,046,052	4,415,494	3,546,973	3,795,581	4,216,966
1,072,176	1,209,747	7,868,976	2,031,979	4,190,250	6,373,688
1,890,116	1,260,099	1,932,157	1,090,371	1,306,334	807,008
3,898,400	3,942,536	4,088,750	4,285,285	3,293,326	4,099,901
953,395	1,080,787	1,435,162	1,179,495	789,871	1,136,869
242,860	630,619	1,578,256	2,445,383	1,229,295	95,903
1,260,516	1,126,082	69,743	47,018	48,930	14,954
811,828	864,237	1,072,625	1,129,952	859,003	2,815,279
79,684,616	87,414,758	100,839,644	98,865,272	101,640,261	111,307,933
5,506,250	5,760,794	5,827,091	5,966,431	6,396,212	6,197,054
2,750,950	2,896,132	3,175,070	3,210,344	3,431,410	4,249,212
433,984	492,664	480,450	500,810	496,250	535,784
1,975,057	2,179,452	2,250,563	1,954,622	2,075,770	2,162,182
14,500,298	12,262,792	14,408,210	10,864,818	8,718,000	14,837,791
-	-	-	1,822,047	1,774,928	1,967,638
14,999,695	15,409,491	16,507,737	17,857,411	17,563,887	19,299,137
3,319,541	3,408,226	3,326,780	3,664,878	3,719,892	3,732,132
15,421,455	17,761,446	18,645,235	18,544,641	21,543,680	22,695,481
883,205	706,255	732,237	720,241	771,160	733,592
-	-	-	-	-	-
6,716,275	8,342,275	7,068,851	11,108,493	10,238,390	9,461,411
1,372,669	1,457,040	1,496,868	1,458,742	1,482,847	1,443,788
5,702,293	11,278,456	26,506,531	15,197,860	17,516,366	3,762,191
6,395,000	6,925,000	9,270,000	9,665,000	8,895,000	8,560,000
2,513,803	2,407,368	3,020,353	3,080,152	3,082,313	2,741,977
82,490,475	91,287,391	112,715,976	105,616,490	107,706,105	102,379,370
(2,805,859)	(3,872,633)	(11,876,332)	(6,751,218)	(6,065,844)	8,928,563
3,880,000	22,815,000	16,665,000	6,050,000	-	-
8,525,000	-	-	-	3,150,000	-
1,755,420	2,197,443	1,051,413	873,403	494,019	-
(9,653,577)	-	-	-	(3,564,197)	-
5,107,928	2,729,452	6,056,482	7,752,977	10,705,431	4,826,215
(3,255,923)	(759,756)	(4,061,829)	(5,960,497)	(8,361,589)	(2,210,255)
6,358,848	26,982,139	19,711,066	8,715,883	2,423,664	2,615,960
$ 3,552,989	$ 23,109,506	$ 7,834,734	$ 1,964,665	$ (3,642,180)	$ 11,544,523
16.43%	13.07%	16.74%	16.38%	13.92%	12.92%

Town of Flower Mound, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Estimated Market Value		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2012	7,038,937,695	713,189,642	854,245,457	6,897,881,880	0.4497
2013	7,064,354,700	711,081,059	865,737,581	6,909,698,178	0.4497
2014	7,334,383,104	785,024,308	894,558,609	7,224,848,803	0.4497
2015	7,993,458,807	842,357,983	999,503,936	7,836,312,854	0.4390
2016	8,771,603,727	892,336,206	1,013,378,573	8,650,561,360	0.4390
2017	9,495,030,344	1,040,667,578	1,136,774,763	9,398,923,159	0.4390
2018	10,366,832,694	1,127,919,242	1,164,318,055	10,330,433,881	0.4390
2019	11,242,157,569	1,210,276,383	1,277,805,694	11,174,628,258	0.4390
2020	12,106,967,554	1,380,178,587	1,605,022,089	11,882,124,052	0.4365
2021	12,807,404,846	1,586,102,520	1,732,465,003	12,661,042,363	0.4365

Town of Flower Mound, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

	Town of Flower Mound			Overlapping Rates					
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	Lewisville Independent School District	Argyle Independent School District	Denton Independent School District	Northwest Independent School District	Denton County	Total Direct and Overlapping Rates *
2012	0.326700	0.123000	0.449700	1.426000	1.460050	1.530000	1.375000	0.277357	2.153057
2013	0.332650	0.117050	0.449700	1.453000	1.480050	1.530000	1.375000	0.282867	2.185567
2014	0.333670	0.116030	0.449700	1.477000	1.475050	1.530000	1.452500	0.284914	2.211614
2015	0.335350	0.103650	0.439000	1.477000	1.570050	1.540000	1.452500	0.272200	2.188200
2016	0.331170	0.107830	0.439000	1.476730	1.570050	1.540000	1.452500	0.262000	2.177730
2017	0.337669	0.101331	0.439000	1.420000	1.570050	1.540000	1.452500	0.248409	2.107409
2018	0.339698	0.099302	0.439000	1.407500	1.585050	1.540000	1.490000	0.237812	2.084312
2019	0.346474	0.092526	0.439000	1.407500	1.585050	1.540000	1.490000	0.225574	2.072074
2020	0.354008	0.082492	0.436500	1.337500	1.508000	1.470000	1.420000	0.225278	1.999278
2021	0.347797	0.088703	0.436500	1.347300	1.418700	1.407600	1.336300	0.224985	2.008785

* Total Direct and Overlapping Rates include Town of Flower Mound, Lewisville Independent School District and Denton County since the majority of property tax payers are in the Lewisville Independent School District. Those who are in the other School Districts total rate will vary accordingly

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

	FY 2020-2021			FY 2011-2012		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Azure Lakeside LP	$ 84,130,580	1	0.66%	$ -		-
Elan Flower Mound Phase II Venture LLC	78,231,814	2	0.62%	-		-
Heavenly Faces Inc	61,009,673	3	0.48%	-		-
WMCi Dallas I LLC	59,000,000	4	0.47%	-		-
CPF PC Riverwalk LLC	56,267,657	5	0.44%	-		-
LIT HW1 LP/LIT Industrial LP	52,883,546	6	0.42%	-		-
Robertson Creek Dunhill LLC	52,780,980	7	0.42%	-		-
Best Buy Stores LP	45,267,428	8	0.36%	-		-
SRP Flower Mound LLC	44,800,000	9	0.35%	-		-
IPT Dallas Distribution Portfolio LP	41,270,032	10	0.33%	-		-
Robertson's Creek 1031 LLC & RC 1031-West Jordan PR	-		-	42,662,056	1	0.62%
LIT HW1 LP	-		-	27,409,100	2	0.40%
SDCO Highlands Denton County LP	-		-	26,971,200	3	0.39%
CRP-3 Corporate Ridge LLC	-		-	25,917,848	4	0.38%
SFERS Real Estate Corp MM	-		-	25,317,128	5	0.37%
Owens & Minor Distribution, Inc	-		-	22,422,070	6	0.33%
Best Buy Stores LP	-		-	21,541,851	7	0.31%
Williams Production Gulf Coast	-		-	21,165,110	8	0.31%
Parsons Lakeside	-		-	18,309,060	9	0.27%
CS Lakeside 20 LTD LLP	-		-	18,000,000	10	0.26%
Totals	$ 575,641,710		4.55%	$ 249,715,423		3.62%

Source: Denton Central Appraisal District and Tarrant Appraisal District

Town of Flower Mound, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Adjustments to Levy in Subsequent Years	Adjusted Tax Levy for Fiscal Year
2012	31,063,353	182,219	31,245,572
2013	30,665,635	746,701	31,412,336
2014	32,304,047	413,851	32,717,898
2015	34,024,901	611,656	34,636,557
2016	37,680,177	186,679	37,866,856
2017	40,193,742	1,729,976	41,923,718
2018	44,774,562	796,040	45,570,602
2019	48,272,632	895,013	49,167,645
2020	50,877,974	1,263,674	52,141,648
2021	53,789,766	911,940	54,701,706

Source: Denton County Tax Assessor/Collector Office

Collected within the Fiscal Year of the Levy		Collections in Subsequent	Total Collections to Date	
Amount	Percentage of Levy	Years	Amount	Percentage of Levy
30,967,837	99.11%	267,830	31,235,667	99.97%
31,137,474	99.12%	248,202	31,385,676	99.92%
32,418,832	99.09%	272,272	32,691,104	99.92%
34,385,162	99.27%	219,160	34,604,322	99.91%
37,654,594	99.44%	169,466	37,824,060	99.89%
41,803,234	99.71%	74,992	41,878,226	99.89%
45,599,813	100.06%	(82,286)	45,517,527	99.88%
49,058,100	99.78%	36,135	49,094,235	99.85%
52,085,844	99.89%	(36,963)	52,048,881	99.82%
54,518,415	99.66%	-	54,518,415	99.66%

Town of Flower Mound, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Total Primary Government	Percentage of Personal Income *	Per Capita *
2012	56,525,000	16,875,443	4,430,000	42,829,557	7,710,000	128,370,000	2.90%	1,973
2013	53,724,667	18,963,220	5,307,373	48,365,641	6,715,017	133,075,918	2.92%	2,028
2014	49,187,468	17,746,211	6,425,025	59,310,139	5,747,871	138,416,714	2.95%	2,093
2015	47,794,421	20,507,646	7,177,458	62,926,918	4,740,726	143,147,169	2.86%	2,142
2016	45,938,356	20,340,514	20,054,833	59,557,648	-	145,891,351	2.84%	2,144
2017	39,712,050	44,112,315	25,113,546	58,072,477	-	167,010,388	3.10%	2,324
2018	33,065,745	58,507,859	21,382,846	59,436,958	-	172,393,408	3.08%	2,357
2019	26,706,289	61,381,719	17,177,145	80,130,019	-	185,395,172	3.12%	2,438
2020	25,030,852	53,505,162	14,593,656	84,054,802	-	177,184,472	2.80%	2,269
2021	19,751,995	49,389,945	12,531,873	88,335,875	-	170,009,688	-	2,141

* Population and Personal Income figures are listed on the Demographic and Economic Statistics

Town of Flower Mound, Texas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Governmental Debt	Business-type Debt	Total Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property *	Per Capita **
2012	73,400,443	47,259,557	120,660,000	446,178	120,213,822	1.74%	1,848
2013	72,687,887	53,673,014	126,360,901	501,158	125,859,743	1.82%	1,918
2014	66,933,679	65,735,164	132,668,843	730,467	131,938,376	1.83%	1,995
2015	68,302,067	70,104,376	138,406,443	602,949	137,803,494	1.76%	2,062
2016	66,278,870	79,612,481	145,891,351	776,482	145,114,869	1.68%	2,132
2017	83,824,365	83,186,023	167,010,388	951,984	166,058,404	1.77%	2,311
2018	91,573,604	80,819,804	172,393,408	1,127,261	171,266,147	1.66%	2,342
2019	88,088,008	97,307,164	185,395,172	1,290,869	184,104,303	1.65%	2,421
2020	78,536,014	98,648,458	177,184,472	1,499,400	175,685,072	1.57%	2,311
2021	69,141,940	100,867,748	170,009,688	2,264,683	167,745,005	1.32%	2,113

* Value of Property figures are listed on the Assessed Value and Estimated Actual Value of Taxable Property Statistics

** Population figures are listed on the Demographic and Economic Statistics

Data to present total debt outstanding as a percentage of personal income is unavailable.

Town of Flower Mound, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2021
(unaudited)

Taxing Body	Bonded Debt**	Percentage of Debt Applicable to Town *	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Town of Flower Mound	$ 69,141,940	100.00%	$ 69,141,940
Total Direct Debt	69,141,940		69,141,940
Overlapping Debt:			
Argyle Independent School District	224,297,265	19.49%	43,715,537
Carroll Independent School District	329,880,000	0.02%	65,976
Denton County	571,605,000	10.68%	61,047,414
Denton Independent School District	1,316,613,717	0.21%	2,764,889
Grapevine-Colleyville ISD	362,388,775	0.01%	36,239
Lewisville Independent School District	1,315,387,363	26.15%	343,973,795
Northwest Independent School District	1,223,981,739	5.56%	68,053,385
Tarrant County	213,675,000	0.16%	341,880
Tarrant County College District	255,995,000	0.16%	409,592
Tarrant County Hospital District	14,495,000	0.16%	23,192
Total Overlapping Debt	5,828,318,859		520,431,899
Total Direct and Overlapping Bonded Debt	$ 5,897,460,799		$ 589,573,839

* Source: Texas Municipal Reports, Compiled and Published by Municipal Advisory Council of Texas

** The Town of Flower Mound's total bonded debt is $170,009,688 with $115,586,087 in tax supported debt which is funded by the revenues of the Utility System, the Town's Community Development Corporation and Tax Increment Reinvestment Zone (TIRZ), that the Town has elected to pay from System Net Revenues. The Town may change this policy at any time. This debt service is not included in any coverage calculation and is not subject to the Reserve Fund Requirement.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Flower Mound. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Flower Mound, Texas
Legal Debt Margin Information
(unaudited)

The Town of Flower Mound operates under a Home Rule Charter as authorized by Article XI, Section 5 of the Texas Constitution. Accordingly, the Town is not limited by the law in the amount of debt it may issue.

Article IX, Section 9.15 of the Home Rule Charter of the Town of Flower Mound provides that:

> The Town Council shall have the power under the provisions of the State Law to levy, assess and collect an annual tax upon real and personal property within the Town to the maximum provided by the Constitution and General Laws of the State of Texas.

Under the Texas Constitution, the Town is limited to a total tax rate of $2.50 per $100 of assessed valuation for all Town purposes, including payment of principal and interest on general obligation debt, and operations of the General Fund.

The Town of Flower Mound ad valorem tax rate for all purposes at September 30, 2021, was $.4365 per $100 of assessed valuation with taxable property assessed at 100% of market value.

Town of Flower Mound, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(unaudited)

	Water and Wastewater Bonds					
Fiscal Year	Total Revenue Available*	Less: Operating Expenses**	Net Available Revenue	Average Debt Service Principal	Interest	Coverage
2012	35,998,663	26,893,851	9,104,812	963,750	146,269	8.20
2013	40,288,657	25,836,990	14,451,667	967,143	126,656	13.21
2014	39,633,604	26,892,489	12,741,115	965,833	106,332	11.88
2015	41,436,058	28,769,104	12,666,954	956,000	85,342	12.16
2016	41,960,681	32,005,631	9,955,050	- ***	-	N/A
2017	44,497,536	29,347,879	15,149,657	- ***	-	N/A
2018	49,172,947	32,226,278	16,946,669	- ***	-	N/A
2019	45,277,974	31,887,610	13,390,364	- ***	-	N/A
2020	49,891,652	33,799,148	16,092,504	- ***	-	N/A
2021	50,286,024	34,879,896	15,406,128	- ***	-	N/A

* Total Revenue Available excludes stormwater drainage revenues.

** Operating Expenses include only water and wastewater expenses.

*** The outstanding revenue debt was refunded in March 2016 with General Obligation Refunding Bonds, Series 2016.

Town of Flower Mound, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income *	Per Capita Personal Income (Denton County) **	Median Age *	School Enrollment	Unemployment Rate ***
2012	65,060	-	44,268	-	17,640	5.20%
2013	65,615	-	45,605	-	17,514	5.30%
2014	66,130	-	46,987	-	17,315	4.00%
2015	66,820	-	50,112	-	19,141	3.10%
2016	68,050	-	51,332	-	16,680	3.40%
2017	71,850	-	53,948	-	16,618	2.80%
2018	73,130	-	55,933	-	16,490	2.70%
2019	76,030	-	59,414	-	16,510	2.60%
2020	78,080	-	63,283	-	16,055	4.50%
2021	79,390	-	-	-	16,225	3.00%

* Personal Income and Median Age are only available in census years. Other years information is not available for the Town. Census data is not yet available for 2020.

Source: United States Census Bureau, Applied Geographical Solutions

** Source: Bureau of Economic Analysis

*** Texas Workforce Commission

Town of Flower Mound, Texas
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2021			2012		
Employer	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
Communication Test Design, Inc. (CTDI)	1,300	1	2.90%	195	5	0.54%
MI Windows & Doors	771	2	1.72%	-	-	-
Texas Health Presbyterian Hospital Flower Mound	700	3	1.56%	300	4	0.83%
Thirty-One Gifts	600	4	1.34%	-	-	-
Stryker Communications	480	5	1.07%	315	3	0.87%
Best Buy Distribution & Service Center	250	6	0.56%	185	6	0.51%
FUNimation Entertainment	250	6	0.56%	-	-	0.00%
HD Supply	200	7	0.45%	175	8	0.48%
KeHE (formerly Nature's Best)	200	7	0.45%	-	-	-
Ivie & Associates	190	8	0.42%	180	7	0.50%
Lewisville Independent School District	-	-	-	1,647	1	4.54%
Town of Flower Mound	-	-	-	455	2	1.25%
Premier Manufacturing	-	-	-	140	9	0.39%
Owens & Minor, Inc.	-	-	-	110	10	0.30%
Totals	4,941		11.03%	3,702		10.20%

Source: Town Economic Development Division
Note: Listing includes only private sector employers for 2021.

Town of Flower Mound, Texas
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of September 30									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019***	**2020**	**2021**
Function										
Administrative services	-	26.00	29.00	29.00	29.00	30.00	30.00	31.00	30.00	31.00
Communications	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.50	7.50
Community services	106.50	106.50	109.50	113.50	113.75	115.50	117.50	-	-	-
Parks & Recreation Services	-	-	-	-	-	-	-	99.25	99.25	99.25
Library Services	-	-	-	-	-	-	-	21.00	21.00	23.00
Development services	20.00	36.00	34.50	30.50	31.50	33.50	33.25	23.00	23.00	23.00
Environmental services	-	14.75	14.75	14.75	16.00	17.50	17.50	16.50	16.50	16.50
Financial services	67.00	39.00	38.00	37.50	37.50	37.50	37.50	37.50	37.50	37.50
Fire and emergency services	99.50	99.50	99.50	101.50	114.50	114.50	115.00	116.00	131.00	132.00
Infrastructure services	105.75	-	-	-	-	-	-	-	-	-
Legislative services	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Police services	139.50	139.50	142.50	145.00	148.50	150.50	140.50	151.00	169.75	169.75
Public works	-	75.00	79.00	88.50	96.50	98.00	98.75	113.50	113.50	114.50
Town manager's office	3.00	5.00	5.00	5.50	5.50	5.50	6.50	6.50	6.50	6.50
Total	551.25	551.25	561.75	576.75	602.75	613.50	607.50	626.25	659.50	664.50

Source: Town Financial Services Department

*Effective fiscal year ending September 30, 2019, Community Services was split into Parks and Recreation Services and Library Services.

Town of Flower Mound, Texas
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
Function				
Development services				
New residential building permits issued	119	240	322	500
Value	$ 50,771,491	$ 110,856,901	$ 142,083,930	$ 219,691,459
New commercial building permits issued	44	71	75	73
Value	$ 36,412,981	$ 186,476,151	$ 143,469,134	$ 145,954,106
Financial services				
Average daily consumption (gallons)	13,040,465	12,625,959	11,644,052	11,261,386
Water customers	21,572	22,043	22,372	22,917
Sewer customers	18,843	19,211	19,507	20,012

Source: Town Development Services Department and Financial Services Department
* Values reflect amounts as of June 30, 2019. Due to HB 852, Permit values are no longer obtained during the permit process.

Fiscal Year						
2016	2017	2018	2019*	2020	2021
350	448	592	500	423	458
$ 167,205,907	$ 205,903,096	$ 257,252,261	$ 156,432,776	$ -	$ -
74	62	35	46	59	12
$ 187,454,584	$ 118,872,009	$ 68,624,239	$ 74,466,756	$ -	$ -
11,839,381	12,168,768	13,527,951	10,318,256	12,393,690	11,915,782
23,326	23,845	24,443	24,977	25,391	25,896
20,385	20,845	21,375	21,883	22,246	22,651

Town of Flower Mound, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Function										
Community services										
Parks acreage	926	926	940	940	940	888*	888	983**	983	991
Parks	54	55	54	54	54	55	55	56	56	56
Financial services										
Water mains (miles)	380	396	420	429	437	448	454	462	467	477
Fire and Emergency services										
Fire stations	5	5	5	5	5	6	6	6	6	7
Fire hydrants	3,214	3,387	3,620	3,708	3,819	3,946	4,061	4,184	4,288	4,381
Infrastructure services										
Improved streets (miles)	375	377	388	401	408	415	415	418	419	422
Unimproved streets (miles)	4	4	7	7	8	8	8	9	10	8
Storm sewers (miles)	140	137	156	160	160	164	164	164	166	169

* Parks acreage includes long-term leased land from the Corp of Engineer for Twin Coves park.
Twin Coves Park acreage was updated to reflect most recent data from GIS

** Parks acreage reflects the most updated information from Parks and GIS and includes all named parks, greenbelts, open space, COE leases, and LISD property that the Town uses and maintains.

Source: Town Departments

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas (the Town), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 18, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Abilene, Texas
March 18, 2022

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and the State of Texas Single Audit Circular

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

Report on Compliance for Each Major Federal and State Program

We have audited the Town of Flower Mound, Texas' (the Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *State of Texas Single Audit Circular* (TSAC) that could have a direct and material effect on each of the Town's major federal and state programs for the year ended September 30, 2021. The Town's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the Town's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and *State of Texas Single Audit Circular*. Those standards, the Uniform Guidance, and TSAC require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal and State Program
In our opinion, the Town of Flower Mound, Texas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2021.

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Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and TSAC, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TSAC. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Abilene, Texas
March 18, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Federal Awards			
Department of Justice			
Direct Program			
Internal Revenue Service Equitable Sharing	16.922	75-1366210	$ 244,744
Direct Program			
Bulletproof Vests	16.607	BVP2019	13,432
Total Department of Justice			258,176
Department of Housing and Urban Development			
Direct Program			
Community Development Block Grant	14.218	B-18-MC-48-0042	14,192
Community Development Block Grant	14.218	B-19-MC-48-0042	58,864
Community Development Block Grant - COVID-19	14.218	B-20-MW-48-0042	122,888
Community Development Block Grant	14.218	B-20-MC-48-0042	106,936
Total Community Development Grant - Entitlement Grant Cluster			302,880
Total Department of Housing and Urban Development			302,880
Department of Treasury			
Passed through Denton County, Texas			
COVID-19 Coronavirus Relief Fund	21.019	OIG-CA-20-021	1,066,757
Total Department of Treasury			1,066,757
Department of Homeland Security			
Direct Program			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2018-FH-00093	1,074,091
Passed through Governor's Division of Emergency Management			
COVID-19 Vaccine Clinic	97.036	4485DRTXP0000001	15,283
Total Department of Homeland Security			1,089,374
Department of Health and Human Services			
Direct Program			
COVID-19 Provider Relief Program	93.498	75-1366210	25,199
Total Department of Health and Human Services			25,199
Total Federal Awards			$ 2,742,386

See Notes to Schedule of Expenditures of Federal and State Awards

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Entity Identifying Number	Expenditures
State Awards		
Texas Historical Commission		
William Gibson Historic Log Cabin Restoration	TPTF-1617-0000-P-0	$ 1,184,779
Total Texas Historical Commission		1,184,779
Texas Commission on the Arts		
Cultural and Performing Arts Center Grant	86,294	1,519,399
Total Texas Commission on the Arts		1,519,399
Texas Intrastate Fire Mutual Aid System		
Gate 5 Fire	TIFMAS ST 20-110	1,187
Smith Canyon Fire	TIFMAS	2,047
Deep Creek Fire	TIFMAS	370
Total Texas Intrastate Fire Mutual Aid System		3,604
Texas Emergency Medical Task Force		
COVID-19 El Paso Support	TX EMFT 200-0003	21,296
Severe Weather	TX EMTF	46,640
Total Texas Emergency Medical Task Force		67,936
Texas Division of Emergency Management		
California Wildfire	EMAC 1864-REQA-9870	111,399
Tropical Weather Deployment	TEEK TS Beta	3,976
Winter Weather Deployment	TEEK Hnizdo	8,690
Lake Jackson - Public Works Deployment	N/A	19,376
Total Texas Division of Emergency Management		143,441
Texas Office of the Governor		
COVID-19	N/A	1,163
Total Texas Office of the Governor		1,163
Total State Awards		$ 2,920,322

See Notes to Schedule of Expenditures of Federal and State Awards

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state award activity of the Town of Flower Mound, Texas, under programs of the state and federal government for the year ended September 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *State of Texas Single Audit Circular* (TSAC). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note B – Summary of Significant Accounting Principles

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All state and federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

State and federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant. No state or federal awards have been provided to a subrecipient.

Note C – Indirect Cost Rate

The Town is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the Town has previously received a negotiated indirect cost rate for its federal awards.

Note D – Provider Relief Funds

The Town received amounts from the U.S. Department of Health and Human Services (HHS) through the Provider Relief Fund (PRF) program (Federal Financial Assistance Listing/CFDA #93.498) during the years ended September 30, 2020 and 2021. The Town incurred eligible expenditures and, therefore, recognized revenues totaling $25,199 and $3,125 for the years ended September 30, 2020 and 2021, respectively, on the financial statements. In accordance with the OMB Compliance Supplement Addendum, the PRF expenditures recognized on the schedule are based on the reporting to HHS for the calendar year ending December 31, 2020, as required under the PRF program.

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AND STATE AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program	FFAL/CFDA Number
Coronavirus Relief Fund	21.019
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083
Dollar threshold used to distinguish between type A and type B programs for federal awards:	$750,000

Name of State Program	
Texas Historical Commission William Gibson Log Cabin	N/A
Cultural and Performing Arts Center Grant	N/A
Dollar threshold used to distinguish between type A and type B programs for state awards:	$300,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs required to be reported.

THE TOWN OF
FLOWER MOUND
TEXAS